

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2004**  
**HAMMOND, LOUISIANA**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-26-05

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December 3, 2004

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Florida Parishes Juvenile Justice District, as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Florida Parishes Juvenile Justice District as of June 30, 2004, and the respective changes in financial position for the year ended June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Florida Parishes Juvenile Justice District adopted the provisions of Governmental Accounting Standards Board Statements No. 34 and No. 32, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, as of July 1, 2003. This results in a change in the format and content of the basic financial statements.

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

In accordance with Government Auditing Standards, we have also issued a report dated December 3, 2004, 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. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be used in conjunction with this report in considering the results of our audit.

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

Our audit was made for the purpose of forming an opinion on the basic 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 basic financial statements of the Florida Parishes Juvenile Justice District. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

*Hannia T. Bourgeois, LLP*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Florida Parishes Juvenile Justice District  
Covington, Louisiana 70433  
Management's Discussion and Analysis  
June 30, 2004**

This section of the Florida Parishes Juvenile Justice District's annual financial report represents our discussion and analysis of the District's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the detailed financial statements.

The Management's Discussion and Analysis (MD&A) is required by the Government Accounting Standards Board (GASB). This is the first year the District has implemented the standards, therefore there will be no comparative information from the previous years included in this analysis.

**FINANCIAL HIGHLIGHTS**

- Net Assets on June 30, 2004 was \$8,343,488
- The Net Assets of the Governmental Activities showed an increase of \$358,798 which represents an increase of 4.5%.
- The total governmental fund balance at June 30, 2004 was \$2,234,117. This reflects an actual increase in 2003-2004 to the governmental fund of \$92,253 or 4.3%.
- The District had a 4.8% increase in the amount of ad valorem tax revenue in 2004 as compared to 2003. These increases are due to the economic growth in the area; property values have also increased over recent years. The total ad valorem tax revenue in 2004 was 3,563,220. This represents 76.9% of the districts total revenues.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the District. The District's basic financial statements are comprised of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements.

**Government-wide financial statements** are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private-sector business.

*The Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*The Statement of Activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (e.g., court cost and grant revenue).

The government-wide financial statements can be found on pages 9 - 10 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All of the funds of the District are governmental type funds.

*Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District adopts an annual appropriated budget for its general fund and special revenue fund. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 - 15 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 16 - 32 of this report.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**STATEMENT OF NET ASSETS**

The following is a schedule of the District's net assets at June 30, 2004. Net assets are calculated by taking the difference between the total assets and total liabilities. The District's assets exceeded its liabilities at the close of 2003-2004, by a total of \$8,343,488.

**ASSETS**

Cash and Cash Equivalents	\$ 398,413
Investments	1,881,540
Receivables, Net	126,193
Capital Assets:	
Land	24,031
Other Capital Assets, Net of Depreciation	<u>6,845,340</u>
Total Assets	<u>\$ 9,275,517</u>

**LIABILITIES**

Accounts Payable	\$ 36,589
Payroll Taxes Payable	64,452
Accrued Salary and Wages	70,988
Non-Current Liabilities:	
Due Within One Year	370,000
Due in More Than One Year	<u>390,000</u>
Total Liabilities	932,029

**NET ASSETS**

Investment in Capital Assets, Net of Related Debt	6,109,371
Unrestricted	<u>2,234,117</u>
Total Net Assets	<u>8,343,488</u>
Total Liabilities and Net Assets	<u>\$ 9,275,517</u>

## STATEMENT OF ACTIVITIES

The purpose of the District 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.

Property taxes are the largest source of revenue for the District. The District collects 3.0 mills for its primary funding base. This ad valorem tax must be renewed every ten years. The current millage expires in 2015.

Other sources of revenue for the District include court costs, fees for services, intergovernmental, and interest and other income. The following condensed Statement of Activities shows the major source of revenues and expenses.

### Revenues:

Court Cost	\$ 275,252
Fees for Services	364,390
Intergovernmental	282,196
Ad Valorem Taxes	3,563,220
Interest and Other	<u>147,483</u>
Total Revenues	4,632,541

### Expenses:

Public Safety	4,214,913
Interest and Charges on Long-Term Debt	<u>58,830</u>
Total Expenses	<u>4,273,743</u>
Change in Net Assets	\$ <u>358,798</u>

### REVENUES

- Property tax revenue increased \$162,214 or 4.8% from the previous year. This increase was a direct result of the assessed property values increasing in the district.
- Fees for services revenue increased \$240,658 or 194.5% from the previous year. This increase is a direct result of the Florida Parishes Juvenile Detention Center housing additional juveniles for the Louisiana Office of Youth Services. OYS pays the detention center a daily rate for housing adjudicated juveniles that are in state custody.

## EXPENSES

Total expenses decreased by approximately \$394,018 or 8.4%. This decrease was because of the following:

- Decrease in salaries and benefits of \$254,267 due to staff restructuring in the detention center.
- Decrease in travel and training of \$10,575 due to cancelled employee training classes due to restructuring of departments.
- Increase in operating services of \$145,420 due to added communication services, insurance premium increases, maintenance to the DCCTV, and rising utility cost.
- Increase in operating supplies of \$67,699 due to purchasing of more general supplies, food, juvenile medications, and computer software (for juvenile database).
- Increase in professional services of \$74,594 due to funding of summer school program in the detention center and attorney fees for pending litigations.

## BUDGETARY HIGHLIGHTS

- The final amended budget reflects a variety of changes in various line items due to the restructuring of all departments at the detention center during the fiscal year.
- The final amended budget for revenue reflects an increase of \$192,000 for fees services.
- The final amended budget for expenses reflects a decrease of \$723,470 for salaries and benefits.
- In the final amended budget, total revenues were increased by \$222,450 while total expenses were decreased by \$404,765.

## CAPITAL ASSETS

**Capital Assets.** The District's investment in capital assets as of June 30, 2004 was \$6,869,371 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. The accumulated depreciation was \$1,506,251 with the cost of capital assets being \$8,375,622 as of June 30, 2004.

## LONG-TERM DEBT

**Long-Term Liabilities.** At the end of the current year, the District had a general obligation bond outstanding in the amount of \$760,000. This bond is the only long-term liability that the district is responsible for.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens and creditors with a general overview of the District's finances and reveal the District's accountability for the money received through its operations. If there are any questions about this report or need of additional financial information, contact Administrative Secretary, Brenda Bickford, Post Office Box 2 Hammond, Louisiana 70404-0002.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2004**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 398,413
Investments	1,881,540
Receivables, Net	126,193
Capital Assets:	
Land	24,031
Other Capital Assets, Net of Depreciation	<u>6,845,340</u>
Total Assets	<u>\$ 9,275,517</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 36,589
Payroll Taxes Payable	64,452
Accrued Salary and Wages	70,988
Non-Current Liabilities:	
Due Within One Year	370,000
Due in More Than One Year	<u>390,000</u>
Total Liabilities	932,029
<b>NET ASSETS</b>	
Investment in Capital Assets, Net of Related Debt Unrestricted	6,109,371
Total Net Assets	<u>2,234,117</u>
Total Liabilities and Net Assets	<u>\$ 9,275,517</u>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2004**

**Governmental Activities:**

Expenses:

Public Safety:

Salaries and Related Benefits	\$ 2,695,830
Travel and Training	20,339
Operating Services	511,926
Operating Supplies	340,939
Professional Services	239,337
Depreciation	282,119
Interest and Charges on Long-Term Debt	58,830
Other	<u>124,423</u>

Total Expenses 4,273,743

Program Revenues:

Fees for Services	364,390
Operating Grants and Contributions	<u>282,196</u>

Net Program (Expense) (3,627,157)

General Revenues:

Ad Valorem Taxes	3,563,220
Court Costs	275,252
Interest Revenue	12,256
Other Revenue	<u>135,227</u>

Total General Revenues 3,985,955

Change in Net Assets 358,798

Net Assets - Beginning of Year, as Restated 7,984,690

Net Assets - End of Year \$ 8,343,488

The accompanying notes constitute an integral part of this statement.

**FUND FINANCIAL STATEMENTS**



**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 299,125	\$ 99,288	\$ 398,413
Investments, at Cost	213,357	1,668,183	1,881,540
Receivables, Net:			
Accounts	108,094	-	108,094
Intergovernmental Grant	18,099	-	18,099
Total Assets	<u>\$ 638,675</u>	<u>\$ 1,767,471</u>	<u>\$ 2,406,146</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 36,589	\$ -	\$ 36,589
Payroll Taxes Payable	64,452	-	64,452
Accrued Salaries and Wages	70,988	-	70,988
Total Liabilities	172,029	-	172,029
<b>FUND BALANCES</b>			
Fund Balance:			
Unreserved, Reported in			
General Fund	466,646	-	466,646
Special Revenue Fund	-	1,767,471	1,767,471
Total Fund Balances	<u>466,646</u>	<u>1,767,471</u>	<u>2,234,117</u>
Total Liabilities and Fund Balances	<u>\$ 638,675</u>	<u>\$ 1,767,471</u>	<u>\$ 2,406,146</u>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUND**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2004

<b>Fund Balances - Total Governmental Fund</b>		<b>\$ 2,234,117</b>
Amounts reported for governmental activities in the statement of net assets are different because:		
Cost of Capital Assets at June 30, 2004	8,375,622	
Less: Accumulated Depreciation as of June 30, 2004	<u>(1,506,251)</u>	
		6,869,371
Long-Term Liabilities at June 30, 2004:		
Bonds Payable		<u>(760,000)</u>
<b>Net Assets of Governmental Activities</b>		<b>\$ <u>8,343,488</u></b>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Court Costs	\$ 275,252	\$ -	\$ 275,252
Fees for Services	364,390	-	364,390
Intergovernmental	-	282,196	282,196
Ad Valorem Taxes	-	3,563,220	3,563,220
Interest and Other	<u>141,663</u>	<u>5,820</u>	<u>147,483</u>
Total Revenues	781,305	3,851,236	4,632,541
<b>Expenditures:</b>			
Public Safety			
Salaries and Benefits	2,695,830	-	2,695,830
Travel and Training	20,339	-	20,339
Operating Services	511,926	-	511,926
Operating Supplies	340,939	-	340,939
Professional Services	239,337	-	239,337
Other	-	124,423	124,423
Capital Outlay	198,664	-	198,664
Debt Service:			
Principal Retirement	-	350,000	350,000
Interest and Fiscal Charges	-	58,830	58,830
Total Expenditures	<u>4,007,035</u>	<u>533,253</u>	<u>4,540,288</u>
Excess (Deficiency) of Revenues over Expenditures	(3,225,730)	3,317,983	92,253
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	3,084,674	-	3,084,674
Operating Transfers Out	<u>-</u>	<u>(3,084,674)</u>	<u>(3,084,674)</u>
Total Other Financing Sources (Uses)	<u>3,084,674</u>	<u>(3,084,674)</u>	<u>-</u>
Net Change in Fund Balances	(141,056)	233,309	92,253
<b>Fund Balances at Beginning of Year, as Restated</b>	<u>607,702</u>	<u>1,534,162</u>	<u>2,141,864</u>
<b>Fund Balances at End of Year</b>	<u>\$ 466,646</u>	<u>\$ 1,767,471</u>	<u>\$ 2,234,117</u>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

<b>Net Change in Fund Balance - Total Governmental Funds</b>		<b>\$ 92,253</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period:</p>		
Capital Outlay	198,664	
Depreciation Expense	<u>(282,119)</u>	(83,455)
<p>The repayment of principal on long-term debt consumes current financial resources of Governmental Funds which has no effect on Net Assets</p>		
		<u>350,000</u>
<b>Change in Net Assets of Governmental Activities</b>		<b>\$ <u>358,798</u></b>

The accompanying notes constitute an integral part of this statement.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT  
GENERAL FUND**

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Court Costs	\$ 275,000	\$ 250,000	\$ 275,252	\$ 25,252
Fees for Services	120,000	312,000	364,390	52,390
Interest and Other	89,200	144,650	141,663	(2,987)
Total Revenues	484,200	706,650	781,305	74,655
<b>Expenditures:</b>				
Public Safety				
Salaries and Benefits	3,419,085	2,695,615	2,695,830	(215)
Travel and Training	39,500	21,000	20,339	661
Operating Services	379,615	491,975	511,926	(19,951)
Operating Supplies	278,550	312,415	340,939	(28,524)
Professional Services	161,500	208,980	239,337	(30,357)
Capital Outlay	81,000	224,500	198,664	25,836
Total Expenditures	4,359,250	3,954,485	4,007,035	(52,550)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(3,875,050)	(3,247,835)	(3,225,730)	22,105
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	4,113,250	3,300,000	3,084,674	(215,326)
Operating Transfers Out	-	-	-	-
<b>Net Change in Fund Balances</b>	238,200	52,165	(141,056)	(193,221)
<b>Fund Balance at Beginning of Year, as Restated</b>	607,702	607,702	607,702	-
<b>Fund Balance at End of Year</b>	\$ 845,902	\$ 659,867	\$ 466,646	\$ (193,221)

The accompanying notes constitute an integral part of this statement.

# FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

### **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 of Denham Springs and Hammond and, on an alternating basis, one commissioner shall be appointed for a term of two years by the District Attorney of the Twenty-First Judicial District and by the District Attorney of the Twenty-Second Judicial District. All appointments must be confirmed by the Senate. The Board of Commissioners receive no compensation for their services on the board.

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

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

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

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

**Note 1 - Summary of Significant Accounting Policies -**

**Basis of Presentation**

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting 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 financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999. As specified in GASB Statement No. 34, the District was required to adopt this standard for the fiscal year ended June 30, 2004.

**Financial Reporting Entity**

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

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

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

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

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

**Fund Accounting**

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

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.

**Measurement Focus/Basis of Accounting**

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

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Florida Parishes Juvenile Justice District.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.



**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* are derived directly from users as a fee for services; *program revenues reduce the cost of the function to be financed from general revenues.*

**Basic Financial Statements - Governmental Funds**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of Governmental Funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fund financial statements report detailed information about the Florida Parishes Juvenile Justice District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major funds of the District are the General Fund and Special Revenue Fund.

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

**Revenues**

Revenues from ad valorem taxes, court costs, and other services are recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially all other revenues are recorded when received.

**Expenditures**

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

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid, funds for operating expenses, long-term debt proceeds, etc., are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

**Budgets**

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

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The President must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed budget was submitted to the board of commissioners on May 14, 2003. 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 27, 2003.
3. A public hearing on the proposed budget must be held at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget on June 11, 2003.
4. After the public hearing, the budget is adopted by ordinance. All action necessary to adopt and implement the budget must be completed prior to the end of the fiscal year in progress. The budget was adopted on June 11, 2003.
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 9, 2004.
7. All budgetary appropriations lapse at the end of each fiscal year.

**Encumbrances**

The District does not utilize encumbrance accounting.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

**Cash and Cash Equivalents**

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

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

**Inventories**

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, 2004, as the amount is not material.

**Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 15 to 40 years for buildings and improvements, and 5 to 20 years for equipment.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

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

**Use of Estimates**

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

**Change in Accounting Principles and Restatement of Prior Year Fund Equity**

For the fiscal year ended June 30, 2004, the District implemented the following GASB Standards:

- Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*
- Statement No. 36 - *Recipient Reporting for Certain Shared Nonexchange Revenues*
- Statement No. 37 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*
- Statement No. 38 - *Certain Financial Statement Note Disclosures*
- Interpretation No. 6 - *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

The transition from governmental fund balances total equity to net assets for June 30, 2003, is presented below:

	<u>Governmental Activities</u>
Total Fund Balances/Fund Equity, as Previously Reported	\$ 2,119,456
Adjustment to Record Court Costs Received in Prior Year and Not Recorded	<u>22,408</u>
Total Fund Balances/Fund Equity, as Restated	2,141,864
Capital Assets, Net of Depreciation	6,952,826
General Long-Term Debt	<u>(1,110,000)</u>
Restated Net Assets, June 30, 2003	<u>\$ 7,984,690</u>

**Note 2 - Cash and Investments -**

At June 30, 2004, the carrying amount of the District's Cash and Cash Equivalents totaled \$398,413, and the confirmed bank balances totaled \$523,487. Cash and Cash Equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of cash and cash equivalents at June 30, 2004, with the related federal deposit insurance and pledged securities:

	<u>Confirmed Bank Balance June 30, 2004</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash	<u>\$ 523,487</u>	<u>\$ 100,000</u>	\$ 423,487
Uncollateralized - Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent			<u>1,015,853</u>
Excess of FDIC Insurance and Pledged Securities over Cash and Cash Equivalents			<u>\$ 592,366</u>

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

**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, 2004 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, 2004, the District invested \$100,587 in LAMP and \$1,780,953 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 2004, 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**

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

JUNE 30, 2004

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
LAMP	\$ -	\$ -	\$ -	\$ 100,587	\$ 100,587
Federal					
Government					
Obligation	1,780,953	-	-	1,780,953	1,780,953
Total Deposits	<u>\$ 1,780,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,881,540</u>	<u>\$ 1,881,540</u>

**Note 3 - Receivables -**

The following is a summary of receivables at June 30, 2004:

	<u>Governmental Activities</u>	<u>Total</u>
Accounts	\$ 75,972	\$ 75,972
Court Costs	32,122	32,122
State Grant	18,099	18,099
Total	<u>126,193</u>	<u>126,193</u>
Less: Allowance for Uncollectible	-	-
	<u>\$ 126,193</u>	<u>\$ 126,193</u>

**Note 4 - Ad Valorem Taxes**

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

	<u>2003 Authorized and Levied Mileage</u>
Special Revenue Fund	3.00

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

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 received. 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 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 2003, the District levied 3.00 mills for a total tax levy of \$3,671,380 on taxable property valuation totaling \$1,223,793,228.

**Note 5 - Changes in General Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>June 30, 2003</u>	<u>Reclassifications/ Adjustments</u>	<u>Balance</u> <u>June 30, 2003</u> <u>(As Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
<b><u>Governmental Activities:</u></b>						
Capital Assets not being Depreciated:						
Land	\$ 24,031	\$ -	\$ 24,031	\$ -	\$ -	\$ 24,031
Total Capital Assts not being Depreciated	24,031	-	24,031	-	-	24,031
Capital Assets being Depreciated:						
Buildings and Improvements	7,614,727	-	7,614,727	96,864	-	7,711,591
Vehicles	64,557	-	64,557	32,959	-	97,516
Equipment	<u>758,763</u>	<u>(285,120)</u>	<u>473,643</u>	<u>68,841</u>	<u>-</u>	<u>542,484</u>
Total Capital Assets being Depreciated	8,438,047	(285,120)	8,152,927	198,664	-	8,351,591
Less: Accumulated Depreciation for:						
Buildings and Improvements	-	1,095,967	1,095,967	192,613	-	1,288,580
Vehicles	-	57,357	57,357	2,259	-	59,616
Equipment	<u>-</u>	<u>70,808</u>	<u>70,808</u>	<u>87,247</u>	<u>-</u>	<u>158,055</u>
Total Accumulated Depreciation	-	1,224,132	1,224,132	282,119	-	1,506,251
Total Capital Assets being Depreciated, Net	<u>8,438,047</u>	<u>(1,509,252)</u>	<u>6,928,795</u>	<u>(83,455)</u>	<u>-</u>	<u>6,845,340</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 8,462,078</u>	<u>\$(1,509,252)</u>	<u>\$6,952,826</u>	<u>\$ (83,455)</u>	<u>\$ -</u>	<u>\$6,869,371</u>



**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

Depreciation expense of \$282,119 was charged to the public safety function in the Statement of Activities.

**Note 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.

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 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.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

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 become members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials 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, 2004, was \$408,640 which consisted of \$277,120 from the District and \$131,520 from employees. Each employer was required by Statute to contribute 15.80% of each employee's earned compensation to finance participation of its employees in LASERS. The following provides certain disclosures for the District and the retirement system.

The District's total payroll in the fiscal year ended June 30, 2004 was \$2,201,131 and the District's contributions were based on a payroll of \$1,759,450. Both the District and the covered employees made the required contributions, amounting to \$408,640.

**Trend Information**

*Contributions required by state statute:*

<u>Fiscal Year June 30,</u>	<u>Required Contributions</u>	<u>Percentage Contributions</u>
2002	\$ 388,558	100%
2003	\$ 431,392	100%
2004	\$ 408,640	100%

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

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

**Note 7 - Compensated Absences -**

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

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

The District's present written policy is "use or, lose". Each employee's annual leave will begin and regenerate on the employee's individual hire date and subsequent hire date anniversary. Annual leave is not paid upon an employee's separation of service. Sick leave up to 240 hours may be accumulated, but is not paid upon separation from service. As a result, no liability for annual leave or accrued sick leave is recorded by the District.

**Note 8 - Other Post Employment Benefits -**

The District has no other post employment benefits.

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

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

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

JUNE 30, 2004

**Note 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, 2004:

	Balance July 1, 2003	Certificates Issued	Certificates Retired	Balance June 30, 2004
Certificates of Indebtedness	\$ <u>1,110,000</u>	\$ <u>-</u>	\$ <u>350,000</u>	\$ <u>760,000</u>
	<u>\$ 1,110,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 760,000</u>

Long-term debt at June 30, 2004 is comprised of the following:

Certificates of Indebtedness:

\$3,100,000 Certificates of Indebtedness Series 1997 dated  
October 22, 1996:

Due in Annual Installments of \$245,000 - \$390,000  
through March 1, 2006, Interest at 4.60% - 6.50%.

\$ 760,000

Total General Long-Term Debt

\$ 760,000

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, 2004, including interest payments of \$60,580 are as follows:

Certificates of Indebtedness, Series 1996

Year Ended June 30,	Principal	Interest	Total
2005	\$ 370,000	\$ 39,910	\$ 409,910
2006	<u>390,000</u>	<u>20,670</u>	<u>410,670</u>
	<u>\$ 760,000</u>	<u>\$ 60,580</u>	<u>\$ 820,580</u>

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

**Note 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 (2004 collections - \$3,563,221) 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 irrevocable and irrepealably 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, 2004, was in accordance with the certificate covenant.

**Note 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:

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

JUNE 30, 2004

*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, 2004, 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, 2004, the District was 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, 2004, the District was in compliance with these other certificate covenants in all material respects.

**Note 13 - Litigation And Claims -**

The District is a defendant in a lawsuit involving a claim by a contractor for extra compensation as a result of change orders issued during the construction of the original Juvenile Detention Center in Tangipahoa Parish, Louisiana. A judgment was rendered on September 30, 2002 in the 21st Judicial District Court against the District for the sum of \$65,000 together with legal interest thereon from date of judicial demand, and for all costs of the proceeding. The District has not appropriated any monies to pay this judgment and therefore no liability has been recorded. In addition, the District is attempting to seek funding from the State of Louisiana General Appropriations Budget for payment of this judgment.

**Note 14 - Subsequent Event -**

Subsequent to June 30, 2004, the District's three (3) mills special tax on all property subject to taxation within the corporate boundaries of the District was renewed pursuant to an election held on November 2, 2004.

SUPPLEMENTARY INFORMATION

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

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 185,000	\$ 185,000	\$ 282,196	\$ 97,196
Ad Valorem Taxes	3,444,124	3,444,124	3,563,220	119,096
Interest and Other	-	-	5,820	5,820
<b>Total Revenues</b>	<b>3,629,124</b>	<b>3,629,124</b>	<b>3,851,236</b>	<b>222,112</b>
<b>Expenditures:</b>				
Other	173,700	118,332	124,423	(6,091)
<b>Debt Service:</b>				
Principal Retirement	335,000	350,000	350,000	-
Interest and Fiscal Charges	76,500	59,100	58,830	270
<b>Total Expenditures</b>	<b>585,200</b>	<b>527,432</b>	<b>533,253</b>	<b>(5,821)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,043,924</b>	<b>3,101,692</b>	<b>3,317,983</b>	<b>216,291</b>
<b>Other Financing Sources:</b>				
Transfers Out	(4,113,250)	(3,300,000)	(3,084,674)	215,326
<b>Net Change in Fund Balances</b>	<b>(1,069,326)</b>	<b>(198,308)</b>	<b>233,309</b>	<b>431,617</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,534,162</b>	<b>1,534,162</b>	<b>1,534,162</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 464,836</b>	<b>\$ 1,335,854</b>	<b>\$ 1,767,471</b>	<b>\$ 431,617</b>

The accompanying notes constitute an integral part of this statement.



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

FOR THE YEAR ENDED JUNE 30, 2004

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>Term</u>	<u>Compensation</u>	<u>Travel Allowance</u>
Robert G. Tyler, Jr.	President	03/01/04 - 02/28/08	\$ -	\$ -
Brenda Bickford	Secretary	03/01/04 - 02/28/08	-	-
Paul Johnson	Treasurer	03/01/03 - 02/28/07	-	-
Peggy G. Hoover	Commissioner	03/01/04 - 02/28/08	-	-
Rev. Lyndle Bullard	Commissioner	03/01/03 - 02/28/07	-	-
Scott Sandage	Commissioner	03/01/04 - 02/28/08	-	-
Michael Forbes	Commissioner	03/01/03 - 02/28/05	-	-

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**SCHEDULE OF EXPENDITURES BY CLASSIFICATION -**  
**BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2004  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>2004 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2003 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Salaries and Related Benefits:</b>					
Salaries and Benefits	\$ 3,419,085	\$ 2,695,615	\$ 2,695,830	\$ (215)	\$ 2,950,097
<b>Travel and Training</b>	39,500	21,000	20,339	661	30,914
<b>Operating Services:</b>					
Printing	50	1,100	1,095	5	-
Insurance	152,000	198,200	209,788	(11,588)	159,167
Bank Charges	65	500	1,213	(713)	1,432
Maintenance - Auto and Building	32,000	30,000	32,550	(2,550)	21,800
Maintenance - Other	47,650	95,250	94,170	1,080	49,370
Rental - Other	500	2,500	1,429	1,071	210
Dues and Subscriptions	1,250	2,500	2,519	(19)	1,398
Postage	5,400	5,250	4,961	289	4,237
Telephone	22,400	22,400	20,263	2,137	19,977
Utilities	85,000	90,000	97,987	(7,987)	86,789
Recertification	-	-	-	-	40
Rural Trash Collection	6,500	6,000	5,510	490	4,442
Pest Control	3,500	3,300	3,527	(227)	3,775
Legal Advertisement	500	8,500	10,564	(2,064)	813
Cable TV	800	675	670	5	692
Copier Lease	10,000	13,500	13,032	468	8,559
Internet	10,000	9,500	9,891	(391)	-
Security Drug Testing	2,000	2,800	2,757	43	3,805
	<u>379,615</u>	<u>491,975</u>	<u>511,926</u>	<u>(19,951)</u>	<u>366,506</u>

(CONTINUED)

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2004  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		2004 Actual	Variance Favorable (Unfavorable)	2003 Actual
	Original	Final			
<b>Operating Supplies:</b>					
Office Supplies	19,800	22,175	21,882	293	18,109
Medical Supplies	33,000	42,000	45,628	(3,628)	35,269
Food	140,000	130,000	137,831	(7,831)	122,093
Automotive and Maintenance Supplies	2,500	31,000	36,153	(5,153)	32,772
Juvenile Personal	14,000	18,500	19,602	(1,102)	16,075
Security Supplies	12,000	9,000	9,769	(769)	6,004
Recreation Supplies	1,500	1,000	4,477	(3,477)	1,420
Uniforms	5,500	10,000	10,832	(832)	9,247
Kitchen Supplies	6,000	4,400	3,686	714	2,955
Educational Supplies	5,000	4,000	2,606	1,394	5,804
Social Services Supplies	1,500	2,000	2,163	(163)	1,361
Computer Maintenance	5,000	5,000	8,067	(3,067)	4,176
Computer Software	17,000	23,000	24,083	(1,083)	4,854
Kentwood Water and Coffee	5,500	5,500	6,059	(559)	4,120
Other Operating Supplies	10,250	4,840	8,101	(3,261)	8,981
	<u>278,550</u>	<u>312,415</u>	<u>340,939</u>	<u>(28,524)</u>	<u>273,240</u>
<b>Professional Services:</b>					
Accounting and Auditing	13,000	14,680	14,115	565	12,985
Medical	31,000	32,000	30,842	1,158	32,356
Legal	101,000	122,000	147,496	(25,496)	92,819
Training	1,500	1,600	1,603	(3)	352
Contract Labor	15,000	38,700	45,281	(6,581)	26,231
	<u>161,500</u>	<u>208,980</u>	<u>239,337</u>	<u>(30,357)</u>	<u>164,743</u>
<b>Capital Outlay</b>	81,000	224,500	198,664	25,836	348,158
<b>Total Expenditures</b>	<u>\$ 4,359,250</u>	<u>\$ 3,954,485</u>	<u>\$ 4,007,035</u>	<u>\$ (52,550)</u>	<u>\$ 4,133,658</u>

See auditor's report.

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

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



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October 26, 2004

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

We have audited the financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 26, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management and the Louisiana Legislative Auditor, and should not be used for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

**FINDINGS AND RECOMMENDATIONS**



**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**

**CURRENT YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2004**

**Compliance:**

**None**

**Internal Control:**

**None**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**2003-1 Reconciliation of Accounts**

**Finding:**

In the prior year, due to the turnover in the accounting department, it was noted that several bank accounts had not been reconciled to the general ledger on a timely basis. In addition, the payroll liability accounts in the general ledger had not been reconciled to the actual amounts owed at June 30, 2003.

**Recommendation:**

We recommended that the bank accounts be reconciled to the general ledger on a timely basis each month. In addition, the payroll liability accounts should be reconciled to the amounts actually owed periodically but at least quarterly.

**Corrective Action Taken:**

In the current year, the District reconciled the bank accounts and payroll liability accounts in a timely manner.

**2003-2 Timely Payments**

**Finding:**

In the prior year, due to the turnover in the accounting department, it was noted that several payroll taxes and workmen's compensation payments had not been paid for several months at year end. We adjusted the general ledger to properly reflect these payables.

**Recommendation:**

We recommended timely payments of these types of expenditures to prevent the District from paying any delinquent interest and penalties.

**Corrective Action Taken:**

In the current year, the District made its payroll tax and workmen's compensation payments in a timely manner.