

ORLEANS PARISH JUVENILE COURT
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

To The Honorable Judges
En Banc Orleans Parish
Juvenile Court New
Orleans, Louisiana

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information, and the related notes to the financial statements of **Orleans Parish Juvenile Court (OPJC)** as of and for the year ended December 31, 2021, which collectively comprise **OPJC's** basic financial statements as listed in the Table of Contents.

In our opinion, except for the possible effects of such adjustments, if any, as described in the Basis for Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the governmental activities, the major fund, and the aggregate remaining fund information of **OPJC** as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

Because **OPJC** was not able to resolve on June 30, 2022 issues related to the completeness in recorded net position, we were unable to apply sufficient auditing procedures in this area. (See audit finding reference number 2021-001 and NOTE 15 for additional discussion).

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 of America.

To The Honorable Judges *En Banc*
Orleans Parish Juvenile Court
New Orleans, Louisiana

Basis for Qualified Opinion, Continued

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **OPJC** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **OPJC's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

To The Honorable Judges
En Banc Orleans Parish
Juvenile Court New
Orleans, Louisiana

Auditors' Responsibilities for the Audit of the Financial Statements, Continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **OPJC's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **OPJC's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 15, and budgetary comparison information on pages 38 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

To The Honorable Judges *En Banc*
Orleans Parish Juvenile Court
New Orleans, Louisiana

Other Matters, Continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise **OPJC's** basic financial statements. Schedules III through VII as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules previously referred to are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the completeness in recorded net position, Schedules III through VII are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

To The Honorable Judges *En Banc*
Orleans Parish Juvenile Court
New Orleans, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of **OPJC's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **OPJC's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 30, 2022

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ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction to the Two Types of Financial Statements

As financial managers for **Orleans Parish Juvenile Court (OPJC)**, we offer readers of these financial statements an overview and analysis of the financial activities of **OPJC**. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in **OPJC's** financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns. **OPJC** uses governmental and fiduciary funds. The fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary activities are reported in a Statement of Fiduciary Net Position. The fund financial statements (Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance), show the results of operations and financial position using the *current financial resources* measurement focus and the *modified accrual* basis of accounting, emphasizing the change in fund balance as a result of the current year's operations as well as the amount of resources available to spend. The government-wide financial statements (Statement of Net Position and Statement of Activities), show the results of operations and financial position using the *total economic resources* measurement focus and the *accrual* basis of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private-sector for-profit enterprises.

OPJC is the fiduciary for ensuring that the assets reported in the fiduciary fund are used for their intended purposes. All of the fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from **OPJC's** government-wide financial statements because **OPJC** cannot use these assets to *finance* its operations.

The difference in *measurement focus* affects the types of transactions and events that are reported in the operating statement. Specifically, since *fund* statements are concerned with only *current* financial resources, noncurrent assets and liabilities, as applicable are not shown on the Balance Sheet, and their related expenses are not reflected in the operating statements; *government-wide* financial statements *include* noncurrent assets and liabilities and their related expenses. Because the fund level statements reflect current financial resources, the full purchase price of capital assets in 2021 and 2020 for **OPJC** was \$7,330 and \$0, respectively. In contrast, since the *government-wide* statements focus on *total* economic resources, capital assets are shown as noncurrent assets on the Statement of Net Position (with their related accumulated depreciation), and a portion of their purchase price has been allocated as depreciation expense on the Statement of Activities, as is the practice in private-sector enterprises. On the liability side, the fund-level Balance Sheet and the government-wide Statement of Net Position have no long-term obligations at December 31, 2021 and 2020.

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Introduction to the Two Types of Financial Statements, Continued

The second difference between fund and government-wide financial statements is the basis of accounting, or the timing of the recognition of transactions and events. *Fund* statements use the *modified accrual* basis of accounting, which recognizes revenues when they are earned, only so long as they are collectible within the fiscal period, and expenditures when they are due (hence the elimination of long-term liabilities from the Balance Sheet). The government-wide financial statements and the fiduciary fund use the *full accrual* basis of accounting: revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the receipt or disbursement. In layman's terms, fund financial statements focus on the current fiscal year, and the resources that are available and spendable, and government-wide statements focus on the overall economic position, both short and long term. Chart 1 summarizes these differences.

CHART 1:

Overview of Difference in Funds and Government-Wide Financial Statements

	<u>Government-Wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Government (except fiduciary funds)	The activities of OPJC that are not fiduciary	Instances in which OPJC is the agent for someone else's resources
Required financial statements	Statement of net position	Balance sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues expenditures, and changes in fund balance	

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

CHART 1:, CONTINUED

**Overview of Difference in Funds and Government-Wide Financial Statements,
Continued**

	<u>Government-Wide Statements</u>	<u>Governmental Funds</u>	Fiduciary Funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long term; the fiduciary funds do not currently contain capital assets, although they can
Type of inflow/outflow	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received	All agency funds received or paid during the year

The *presentation* of the two sets of financial statements is also different. On the fund level, the Balance Sheet shows Assets, Liabilities, and *Fund Balance*, with a reconciliation to the net position figure which appears at the bottom of the government-wide Statement of Net Position. All assets and liabilities on the Balance Sheet are current. Fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The accounting used for fiduciary funds is much like that used for proprietary funds. The government-wide Statement of Net Position shows assets and liabilities, are separated into current and noncurrent, and *Net Position* (the difference between the two). All of **OPJC's** net position balance is unrestricted.

CHART 1; CONTINUED

**Overview of Difference in Funds and Government-Wide Financial Statements,
Continued**

A significant difference lies in the presentation of the operating statement. The fund Statement of Revenues, Expenditures, and Fund Balance lists revenues followed by the detailed list of expenditures (separated into direct and indirect) and ends with the *fund balance reconciliation*. This familiar statement answers the question, "Did this year's operations increase or decrease fund balance?" (available financial resources). The L-shaped government-wide Statement of Activities, which is read across then down, answers the question "How much did it cost to provide this service?" so it begins with the expenses of each function, followed by *program revenues* (the specific revenues provided by users of the services), to derive at net (expense) revenue (the difference between program revenues and expenses). Reading down the net column, general revenues are added to calculate the change in net position, which is reconciled to net position at the end of the year.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, the report also presents certain required and other supplementary information.

Using This Annual Report

Our auditors have provided assurance in their independent auditors' report located immediately preceding this Management's Discussion and Analysis. That opinion is qualified with respect to the basic financial statements. Varying degrees of assurances are being provided by the auditors regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

FINANCIAL HIGHLIGHTS AND ANALYSIS

How 2021 Compares with 2020- Statement of Net Position

Chart 2 provides condensed information from the Statement of Net Position for 2021 and 2020.

CHART2:

Statement of Net Position Comparative Data

December 31,

	<u>2021</u>	<u>2020</u>
Current assets	\$1,636,483	\$1,547,928
Capital assets, net	<u>71,399</u>	<u>98,242</u>
Total assets	<u>1,707,882</u>	<u>1,646,170</u>
Current liabilities	<u>563,460</u>	<u>520,290</u>
Total liabilities	<u>563,460</u>	<u>520,290</u>
Net position:		
Net investment in capital assets	71,399	98,242
Unrestricted	<u>1,073,023</u>	<u>1,027,638</u>
Total net position	<u>\$1,144,422</u>	<u>\$1,125,880</u>

For 2021, net position increased from \$1,125,880 in 2020 to \$1,144,422, representing a change in net position of \$18,542. The net change was the result of an increase in grant income from **OPJC's** funding sources to enhance service delivery in 2021.

For 2020, net position increased from \$1,099,927 in 2019 to \$1,125,880 representing a change in net position of \$25,953. The net change was a result of an increase in grant income from **OPJC's** funding sources to enhance service delivery.

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

FINANCIAL HIGHLIGHTS AND ANALYSIS, CONTINUED

How 2021 compares with 2020 - Statement of Activities

Chart 3 below gives comparative data from the Statement of Activities for the years ended December 31, 2021 and 2020:

CHART3:

Statement of Activities Comparative Data

For the Years Ended December 31,

	<u>2021</u>	<u>2020</u>
Revenues:		
Charges for services	\$ 88,266	\$ 60,050
Operating grants	1,436,079	1,805,199
On-behalf payments	2,458,236	2,363,210
Other income	<u>12,377</u>	<u>18,769</u>
Total revenues	<u>3,994,958</u>	<u>4,247,228</u>
Expenses:		
Juvenile Court	<u>3,976,416</u>	<u>4,221,275</u>
Total expenses	<u>3,976,416</u>	<u>4,221,275</u>
Change in net position	18,542	25,953
Net position, as restated beginning of year	<u>1,125,880</u>	<u>1,099,927</u>
Net position, end of year	<u>\$1,144,422</u>	<u>\$1,125,880</u>

For the year ended December 31, 2021, total revenues decreased from \$4,247,228 in 2020 to \$3,994,958 in 2021. The decrease was primarily due to the level of funding obtained from agencies and service charges for its program service delivery.

For the year ended December 31, 2020, total revenues decreased from \$4,255,827 in 2019 to \$4,247,228 in 2020. The decrease was primarily due to the level of funding obtained from other agencies for its program service delivery. Further, the operation was impacted by various COVID-19 pandemic initiatives.

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

FINANCIAL HIGHLIGHTS AND ANALYSIS, CONTINUED

Total expenses for the year ended December 31, 2021 decreased from \$4,221,275 in 2020 to \$3,976,416 in 2021 due to the alleviation of financial obligations coupled with COVID-19 response initiatives.

Comparatively, total expenses for the year ended December 31, 2020, increased from \$4,214,347 in 2018 to \$4,221,275 in 2020 due to inflationary costs pressures in the categories of books, printing and copying, equipment rental and maintenance coupled with COVID-19 response initiatives.

Budgetary Comparison Information

OPJC adopts an annual budget for its General and Special Revenue Funds.

Chart 4 below shows the amounts for the original budget, final budget, and actual results for 2021 and 2020.

CHART 4:

2021 and 2020 Budgetary Comparison Data

For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$3,983,071	\$3,983,071	\$3,994,839
Total revenues	<u>3,983,071</u>	<u>3,983,071</u>	<u>3,994,839</u>
Operating expenditures	<u>3,983,071</u>	<u>3,983,071</u>	<u>3,949,573</u>
Total expenditures	<u>3,983,071</u>	<u>3,983,071</u>	<u>3,949,573</u>
Total other financing sources	<u>-0-</u>	<u>-0-</u>	<u>119</u>
Change in fund balance	\$ <u>-0-</u>	\$ <u>-0-</u>	<u>45,385</u>
Fund balance, beginning of year			<u>1,027,638</u>
Fund balance, end of year			<u>\$1,073,023</u>

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Budgetary Comparison Information, Continued

The original budget was adopted and received no amendments for the General and Special Revenue Funds by **OPJC** for 2021. See page 40 for notes to the budgetary data information.

CHART 4:

2021 and 2020 Budgetary Comparison Data, Continued

For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ <u>4,189,291</u>	\$ <u>4,353,582</u>	\$4,247,228
Total revenues	<u>4,189,291</u>	<u>4,353,582</u>	4,247,228
Operating expenditures	<u>4,189,291</u>	<u>4,353,582</u>	4,182,217
Total expenditures	<u>4,189,291</u>	<u>4,353,582</u>	4,182,217
Total other financing sources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in fund balance	\$ <u>-0-</u>	\$ <u>-0-</u>	<u>65,011</u>
Fund balance, beginning of year			<u>962,627</u>
Fund balance, end of year			<u>\$ 1,027,638</u>

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Economic and Other Factors

Cyber breach

OPJC's financial database application is located on the City of New Orleans' server and as a result was subjected to the cyber breach of December 8, 2019. **OPJC's** Information Technology and Innovation manager has and continues to work with the City's Information Technology department on recover all of its financial management system, to include all related data through the cyber breach date of December 8, 2019. See NOTE 15 for additional discussion.

Overall Analysis

The overall decrease in cash of \$41,906 at December 31, 2021 was due to a combination of factors resulting from a change in net position to include an increase in amounts receivable. The change in net position of \$18,542 results primarily from a combination of cost containment and slight increases in grants for service delivery.

Comparatively, the overall increase in cash of \$160,892 at December 31, 2020 was due to a combination of factors resulting from a change in net position to include the amounts in receivables and payables. The change in net position of \$25,953 results primarily from a combination of cost containment and slight increases in grants and on-behalf payments to enhance program service delivery.

ORLEANS PARISH JUVENILE COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Requests for Information

This financial report is designed to provide a general overview of the finances of **OPJC** for all interested parties in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Fiscal Administrator for **OPJC**, 1100 Milton Street, New Orleans, LA 70122.

ORLEANS PARISH JUVENILE COURT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash (NOTE 2)	\$1,024,373
Restricted cash (NOTES 2 and 3)	250,000
Grants receivable	338,949
Amounts receivable, other	14,001
Prepaid items and other assets	<u>9,160</u>
Total current assets	<u>1,636,483</u>
Noncurrent Assets:	
Capital assets, net (NOTE 5)	71,399
Total noncurrent assets	<u>71,399</u>
Total assets	<u>1,707,882</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable and accrued expenses	185,580
Interfund payables, net (NOTE 4)	370,231
Deferred revenue	<u>7,649</u>
Total current liabilities	<u>563,460</u>
Noncurrent liabilities	<u>-0-</u>
Total liabilities	<u>563,460</u>
<u>NET POSITION</u>	
Net investment in capital assets (NOTE 5)	71,399
Unrestricted	<u>1,073,023</u>
Total net position	<u>\$1,144,422</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS PARISH JUVENILE COURT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Function/Program	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense)
		<u>Charges for</u>	<u>Operating</u>	Revenue and
		<u>Services</u>	<u>Grants</u>	Changes in
				<u>Net Position</u>
<u>Governmental Activities:</u>				
Juvenile Court	\$3,976,416	\$88,195	\$1,436,079	\$(2,452,142)
Total governmental activities	\$3,976,416	\$88,195	\$1,436,079	\$(2,452,142)
<u>General Revenues:</u>				
On-behalf payments				2,458,236
Other income				<u>12,448</u>
Total general revenues				<u>2,470,684</u>
Change in net position				<u>18,542</u>
Net position, beginning of year				<u>1,125,880</u>
Net position, end of year				<u>\$ 1,144,422</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS PARISH JUVENILE COURT
BALANCESHEET- GOVERNMENTAL FUNDS
DECEMBER 31, 2021

<u>ASSETS</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental</u>
Cash	\$ 762,122	\$262,251	\$ 1,024,373
Restricted cash	250,000	-0-	250,000
Grants receivable	338,949	-0-	338,949
Amounts receivable – other	14,001	-0-	14,001
Interfund receivables	35	99,585	99,620
Prepaid items and other assets	<u>8,703</u>	<u>457</u>	<u>9,160</u>
Total assets	<u>1,373,810</u>	<u>362,293</u>	<u>1,736,103</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	185,575	5	185,580
Interfund payables	469,816	35	469,851
Deferred revenue	<u>7,649</u>	<u>-0-</u>	<u>7,649</u>
Total liabilities	<u>663,040</u>	<u>40</u>	<u>663,080</u>
<u>FUND BALANCES</u>			
Nonspendable	8,703	-0-	8,703
Committed	-0-	362,253	362,253
Unassigned	<u>702,067</u>	<u>-0-</u>	<u>702,067</u>
Total fund balances	<u>710,770</u>	<u>362,253</u>	<u>1,073,023</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund at the fund level.			
Governmental capital assets	1,416,858	-0-	1,416,858
Less: accumulated depreciation	<u>(1,345,459)</u>	<u>-0-</u>	<u>(1,345,459)</u>
Net position	\$ <u>782,169</u>	\$ <u>362,253</u>	\$ <u>1,144,422</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS PARISH JUVENILE COURT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental</u>
REVENUES			
On-behalf payments for salaries and fringe benefits	\$ 2,458,236	\$ -0-	\$2,458,236
Grant income	892,845	-0-	892,845
Contractual services	543,234	-0-	543,234
Court costs	24,884	-0-	24,884
Fines and fees	33,966	29,345	63,311
Other income	<u>12,448</u>	<u>-0-</u>	<u>12,448</u>
Total revenues	<u>3,965,613</u>	<u>29,345</u>	<u>3,994,958</u>
EXPENDITURES			
Direct:			
Salaries and fringe benefits through on-half payments	2,288,236	-0-	2,288,236
Salaries	315,644	-0-	315,644
Fringe benefits	85,104	-0-	85,104
Court reporter and interpreter fees	19,221	-0-	19,221
Juvenile transportation and drug testing	<u>666</u>	<u>-0-</u>	<u>666</u>
Total direct expenditures	<u>2,708,871</u>	<u>-0-</u>	<u>2,708,871</u>
Indirect:			
Books, printing and copying	9,948	-0-	9,948
Communication	41,517	-0-	41,517
Equipment rental and maintenance	39,245	-0-	39,245
Insurance	31,540	-0-	31,540
Office supplies and expenditures	77,091	-0-	77,091
Professional services	867,838	-0-	867,838
Professional education and dues	32,704	-0-	32,704
Record storage	49,756	-0-	49,756
Renovation/improvements	50,516	-0-	50,516
Equipment, furniture and computer software	21,099	-0-	21,099
Other expenditures	<u>19,398</u>	<u>50</u>	<u>19,398</u>
Total indirect expenditures	<u>1,240,652</u>	<u>50</u>	<u>1,240,702</u>
Total expenditures	<u>3,949,523</u>	<u>50</u>	<u>3,949,573</u>
Change in fund balances	<u>16,090</u>	<u>29,295</u>	<u>45,385</u>
Fund balances, beginning of year	<u>694,680</u>	<u>332,958</u>	1,027,638
Fund balances, end of year	<u>\$ 710,770</u>	<u>\$ 362,253</u>	<u>\$ 1,073,023</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS PARISH JUVENILE COURT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES FOR
THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - Governmental Funds \$ 45,385

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay.

(26,843)

Change in net position of governmental activities \$ 18,542

The accompanying notes are an integral part of the financial statements.

ORLEANS PARISH JUVENILE COURT
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

ASSETS

Cash	\$156,682
Interfund receivables	<u>395,577</u>
Total assets	<u>552,259</u>

LIABILITIES

Fines collections payable	52,042
Interfund payables	25,381
Bonds outstanding	366,364
Unprocessed payments	<u>108,472</u>
Total liabilities	<u>552,259</u>
Net position	\$ <u>-0-</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES :

Background

The Louisiana Constitution of 1921 provided the foundation for the **Orleans Parish Juvenile Court (OPJC)** as it exists today. Five (5) elected judges serve as the governing body of **OPJC**. **OPJC** has exclusive juvenile jurisdiction in Orleans Parish including, but not limited to abuse, neglect, delinquency, traffic, non-support issues, and all other administrative and judicial matters involving juveniles in Orleans Parish, Louisiana.

Basis of Presentation

The accompanying basic financial statements of **OPJC** have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have 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 and as amended.

Reporting Entity

GASB Statement No. 14, as subsequently amended by GASB Statement Nos. 39 and 61, *The Financial Reporting Entity*, established standards for defining and reporting on the financial entity. GASB Statement No. 14 indicates the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Reporting Entity, Continued

In addition, **OPJC** is financially independent of other governments. Although **OPJC** conducts its business from a building provided by the City of New Orleans as discussed in NOTE 5, this support is considered incidental in relation to **OPJC's** total revenues and expenditures.

Accordingly, management has concluded that **OPJC** is the financial reporting entity within the meaning of the provisions of GASB Statement Nos. 14, 39 and 61.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of **OPJC**. **OPJC** is considered to be a governmental activity of a special purpose government.

OPJC's Statement of Activities demonstrates the degree to which the expenses of a given function are offset by function revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in expenses reported by function. Program revenues include charges for services and operating grants.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Government-Wide and Fund Financial Statements, Continued

Separate financial statements are provided for **OPJC's** governmental funds. **OPJC's** government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, **OPJC** considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

OPJC reports its governmental funds as follows:

General Fund

The General Fund is used to account for all financial resources of **OPJC**

The operations of the General Fund are comprised of the General Fund's assets, liabilities, fund balance, revenues and expenditures, as related to the fiscal operations of **OPJC**.

Fund balance is reported as spendable and nonspendable. The unassigned classification represents amounts not restricted, assigned or committed. The nonspendable represents amounts not in a spendable form.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Government-Wide and Fund Financial Statements, Continued

Net Position

OPJC has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. Deferred inflows represent the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components: net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets - This component of net position consists of capital assets, net accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the position of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion is included in the same component of net position as the unspent proceeds.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Government-Wide and Fund Financial Statements, Continued

General Fund, Continued

Restricted - This component reports the net position with externally imposed constraints placed on their use by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

Salaries of the Judges of **OPJC**, which are paid directly by the Supreme Court of Louisiana, are not included in the financial statements presented herein since such salaries are earned by the respective Judges for serving in their capacities as State Judges and not for compensation in their roles as management of **OPJC**.

The Judges receive no compensation for serving in their capacity as Judges *En Banc* of **OPJC**.

Additionally, **OPJC** has no authority in the determination of these salary amounts or the duties of these individuals in their capacities as State Judges. For the same reasons, certain expenditures incurred by these Judges and paid directly by the Supreme Court of Louisiana are likewise excluded from these financial statements.

Special Revenue Fund

Special revenue funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Because the restriction is for specified purposes, the fund balance is reported as committed.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES.
CONTINUED:

Government-Wide and Fund Financial Statements, Continued

Fiduciary Fund

Fiduciary Fund reporting focuses on net position and changes in net position.

OPJC's Fiduciary Fund accounts for assets held by **OPJC** as an agent. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. Consequently, **OPJC's** Fiduciary Fund has no measurement focus, but uses the accrual basis of accounting.

Budgets

At a public meeting on December 20, 2021, the Judges *En Banc* adopted a budget for the year ended December 31, 2021. Further, in compliance with the Budget Act, the Judges *En Banc* adopted a budget for the year ended December 31, 2022 on December 15, 2021.

As further described in NOTE 10, salary and fringe benefit payments made by the City of New Orleans and the Louisiana Supreme Court on behalf of **OPJC** are included as revenues and personnel costs in the accompanying financial statements for the General Fund. These on-behalf payments are budgeted for, and controlled by the City of New Orleans and the Louisiana Supreme Court. As previously described, because the City of New Orleans and the Louisiana Supreme Court have responsibility for the referenced budgets, any budget variances resulting from on-behalf payments do not constitute violations of Louisiana statutes.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Cash includes amounts in demand deposits. Under state law, OPJC may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as interfund receivables and payables on the balance sheet. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position for a resulting net interfund receivable or payable.

Prepaid Items and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. **OPJC** maintains a threshold level of \$2,500 or more for capitalizing capital assets.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Capital Assets, Continued

Capital assets are recorded in the Statement of Net Position and depreciation is recorded in the Statement of Activities. Since assets are scrapped when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Vehicles	5 years
Computer equipment	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	15 years

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the fund upon acquisition. Capital assets reported herein include only those assets purchased by **OPJC** and do not reflect assets obtained and used from other sources.

Compensated Absences

Contract employees compensated under various grants earn "paid time off" only on a semi-monthly basis. At year end, accrued leave earned but unused by those contract employees, if any, is rolled over and paid, or expires within six months after year end. At December 31, 2021 there were no contract employees who had earned "paid time off" that was unpaid.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES.
CONTINUED:

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

Use of Estimates

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

Fund Balance Reporting

OPJC has adopted GASB Statement No. 54. The reporting standard established a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB Statement No. 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. **OPJC** has prepaid items and other assets that are considered nonspendable.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Fund Balance Reporting. Continued

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.

Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.

Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

OPJC has classified its fund balance within the following hierarchy:

Nonspendable: **OPJC's** prepaid expenses are classified as nonspendable.

Spendable: **OPJC** currently has no funds classified as restricted or assigned. Committed fund balance represents legally restricted expenses while the remaining fund balance is unassigned.

Restricted and Unrestricted Resources

It is **OPJC's** practice to first apply restricted resources when expenses are unearned for the restricted purpose.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84 (Fiduciary Activities). This Statement established criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement have been postponed for periods beginning after June 15, 2021.

In June 2017, GASB issued Statement No. 87 (Leases). It establishes a single model for lease accounting based on the foundational principle that leases are financing of right to use an underlying asset. The requirements of this Statement have been postponed for reporting periods beginning after June 15, 2021.

Restricted and Unrestricted Resources

It is **OPJC's** practice to first apply restricted resources when expenses incurred for the restricted purpose.

NOTE 2 - CASH:

At December 31, 2021, **OPJC's** total cash in demand deposit accounts was \$1,274,373, composed of \$1,012,122 of cash and restricted cash in the General Fund and \$262,251 in the Special Revenue Fund. These deposits 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.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - CASH, CONTINUED:

OPJC maintains non-interest bearing accounts at a local bank. At December 31, 2021, OPJC has a carrying balance of \$1,274,373 and \$1,410,790 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and unsecured from risk by \$1,223,195 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Custodial credit risk is the risk that, in event of a failure of financial institution or counterparty, OPJC would not be able to recover its deposits, investments, or collateral securities that are in the possession of an outside party.

NOTE 3 - RESTRICTED CASH:

Restricted cash at December 31, 2021 in the amount of \$250,000 represents funds held on behalf of others. See NOTE 2.

NOTE 4- INTERFUND RECEIVABLES AND PAYABLES:

Interfund receivables and payables at December 31, 2021 consisted of interfund advances between the General Fund, Special Revenue Fund and Fiduciary Fund as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 35	\$469,816
Special Revenue Fund	99,585	35
Fiduciary Fund	<u>395,577</u>	<u>25,346</u>
	<u>\$495,197</u>	<u>\$495,197</u>

The net of the interfund activities between the General and Special Revenue Funds results in a net interfund payable of \$370,231 at December 31, 2021.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - CAPITAL ASSETS, NET:

The following is a summary of changes in capital assets and accumulated depreciation at December 31, 2021:

	Balance December 31, <u>2020</u>	Additions	<u>Deletions</u>	Balance December 31, <u>2021</u>
Vehicles	\$ 154,254	\$ -0-	\$ -0-	\$ 154,254
Computer equipment and software	973,909	-0-	-0-	973,909
Office equipment	217,406	-0-	-0-	217,406
Furniture and fixtures	63,959	7,330	-0-	71,289
Leasehold improvements	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
 Total capital assets	 1,409,528	 7,330	 -0-	 1,416,858
Less: accumulated depreciation	<u>(1,311,286)</u>	<u>(34,173)</u>	<u>-0-</u>	<u>(1,345,459)</u>
 Capital assets, net	 <u>\$ 98,242</u>	 <u>\$(26,843)</u>	 <u>\$ -0-</u>	 <u>\$ 71,399</u>

Depreciation expense charged for the year ended December 31, 2021 was \$34,173.

The building which OPJC occupies and uses to conduct its operations is owned by the City of New Orleans. However, OPJC does not pay rent to the City.

NOTE 6 - BONDS OUTSTANDING:

Bonds outstanding represent monies paid by defendants for their release from court custody. The amount of each bond will be reimbursed to the defendant upon his/her appearance for trial and/or will be forfeited towards arrearage due for fines, fees, or non-support. Management would endeavor to have on hand up to \$250,000 for any unclaimed bonds payable.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - UNPROCESSED PAYMENTS:

Unprocessed payments represent monies received from individuals which includes, but is not limited to, restitution, unclaimed bonds and child support.

NOTE 8 - OPERATING LEASES:

OPJC leases office equipment under a non-cancellable operating lease terminating in December 2022. Lease expense for the year ended December 31, 2021 was \$25,176.

NOTE 9 - RISK MANAGEMENT:

OPJC is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets. The City of New Orleans provides commercial insurance for **OPJC** in amounts sufficient to insure **OPJC** against claims resulting from any of those risks. In addition, **OPJC** provides its own insurance coverage for crime and property.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - EXPENSES OF THE COURT PAID BY OTHERS:

The accompanying financial statements do not include certain portions of **OPJC's** expenses paid directly by other governmental entities. Expenses for **OPJC** paid by the City of New Orleans include courtroom space, office space, utilities, insurance, and certain capital improvements. The Louisiana Supreme Court provides for the services of the Judges of **OPJC**.

Major portions of the salaries and related benefits of **OPJC's** administrative and support staff are also paid by other governmental entities. Salary and fringe benefit payments made by the City of New Orleans and the Louisiana Supreme Court, in the amounts of \$1,713,528 and \$574,709, respectively, are included in the accompanying financial statements for the General Fund as revenues and personnel costs. The fringe benefit payments noted above, made by the City of New Orleans on behalf of **OPJC** include contributions of \$175,916 to the Municipal Employees' Retirement System of the City of New Orleans.

Personnel of **OPJC** are classified as non-exempt employees of the City of New Orleans. As such, the reporting requirements of GASB 75 (Accounting and Financial Reporting for Post Employment Benefits Other than Pension) effective for fiscal years beginning after June 15, 2017 are accounted for in the financial statements of the City of New Orleans.

In addition to the expenses mentioned above, **OPJC** received \$543,234 of funding from city appropriations, which is included in contractual services in the statement of revenues, expenditures, and changes in fund balances.

NOTE 11 - CONCENTRATION OF CREDIT RISK:

OPJC receives on behalf payments and appropriations from the City of New Orleans. If the amount of revenues received from the City of New Orleans falls below planned levels, **OPJC's** operating results could be adversely affected.

ORLEANS PARISH JUVENILE COURT
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12- FEDERALLY ASSISTED PROGRAMS:

OPJC participates in a number of federally assisted programs. **OPJC's** programs have been audited in prior years in accordance with the *Uniform Guidance*. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for future examinations. **OPJC's** management believes that future examinations would not result in any significant disallowed costs.

NOTE 13 - PER DIEM:

The Judges serving in their capacity as the governing board for the **OPJC** received no per diem payments.

NOTE 14- CYBERBREACH:

OPJC's financial database application is located on the City of New Orleans server and as a result was subject to the cyber breach on December 8, 2019. **OPJC's** Information Technology and Innovation manager has and continues to work with the City's Information Technology department on recover of all of its financial management system, include all related data through the cyber breach date of December 8, 2019.

Management has procured a software that is "cloud based" to manage any future potential loss.

REQUIRED

SUPPLEMENTARY INFORMATION

SCHEDULE I

ORLEANS PARISH JUVENILE COURT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL
 GOVERNMENTAL FUNDS BUDGETARY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund			Special Revenue Fund		
	Final Budgeted Amount	Actual Amounts	Variance with Budget Over (Under)	Final Budgeted Amount	Actual Amounts	Variance with Budget Over (Under)
REVENUES						
On behalf payments for salaries and fringe benefits	\$ 2,494,765	\$ 2,458,236	\$ (36,529)	-0-	-0-	-0-
Grant Income	697,972	892,845	194,873	-0-	-0-	-0-
Contractual services	644,634	543,234	(101,400)	-0-	-0-	-0-
Court Costs	1,500	24,884	23,384	-0-	-0-	-0-
Fines and fees	141,550	33,966	(107,584)	-0-	29,226	29,226
Other income	2,650	12,448	9,798	-0-	-0-	-0-
Total revenues	3,983,071	3,965,613	(17,458)	-0-	29,226	29,226
EXPENDITURES						
Salaries and fringe benefits through on-behalf payments	2,558,059	2,288,236	(269,823)	-0-	-0-	-0-
Salaries	121,632	315,644	194,012	-0-	-0-	-0-
Fringe Benefits	25,479	85,104	59,625	-0-	-0-	-0-
Court Reporter and interpreter fees	54,000	19,221	(34,779)	-0-	-0-	-0-
Juvenile transportation and drug testing	1,000	666	(334)	-0-	-0-	-0-
Books, printing and copy	23,050	9,948	(13,102)	-0-	-0-	-0-
Communication	22,686	41,517	18,831	-0-	-0-	-0-
Equipment and maintenance	30,143	39,245	9,102	-0-	-0-	-0-
Insurance	31,904	31,540	(364)	-0-	-0-	-0-
Office supplies and materials	44,644	77,091	32,447	-0-	-0-	-0-
Professional services	724,395	867,838	143,443	-0-	-0-	-0-
Professional education and dues	41,500	32,704	(8,796)	-0-	-0-	-0-
Record storage	50,304	49,756	(548)	-0-	-0-	-0-
Renovation/improvements	35,000	50,516	15,516	-0-	-0-	-0-
Equipment, furniture, and computer software	50,000	21,099	(28,901)	-0-	-0-	-0-
Other expenditures	169,275	19,398	(149,877)	-0-	50	-0-
Total expenditures	3,983,071	3,949,523	(33,548)	-0-	50	50
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-0-	16,090	16,090	-0-	29,176	29,176
OTHER FINANCING SOURCES (USES)						
Transfer from (to) other funds	-0-	-0-	-0-	-0-	119	119
Total other financing sources	-0-	-0-	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over (under) expenditures	-0-	16,090	16,090	-0-	29,295	29,295
Fund balances, beginning of year		694,680			332,958	
Fund balances, end of year		\$ 710,770			\$ 362,253	

See Independent Auditors' Report on Supplementary Information.

ORLEANS PARISH JUVENILE COURT SCHEDULE OF
BUDGETARY TO GAAP RECONCILIATION FOR THE YEAR
ENDED DECEMBER 31, 2021 (UNAUDITED)

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgeted and Actual presents comparison of **OPJC's** legally adopted original budget and final (non-GAAP basis) with actual data on a budgetary basis. The accounting principles applied by **OPJC** for the purposes of developing data for its budget differs from those used to present the basic financial statements (GAAP Basis).

A reconciliation of the previously described basis follows:

Excess of expenditures over revenues (budgetary basis)	\$ 45,385
Adjustments:	
Amount by which accumulated depreciation capital outlays, net of retirements exceed accumulated depreciation	(26,843)
Change in net position	\$ <u>18,542</u>

See Independent Auditors' Report on Supplementary Information.

ORLEANS PARISH JUVENILE COURT NOTES
TO BUDGETARY DATA INFORMATION

In mid-October, preparation of the future year's budget begins with a meeting which includes the Chief Judge, the Judicial Administrator and the Fiscal Administrator to discuss any guidance that has been provided by the City and to assess the current year's budget as it might inform projections for the upcoming year. Based on the results of that meeting, the Fiscal Administrator then prepares a draft. After review and input from the Judges, the final draft is put on hold until the City finalizes and approves its budget which details what funds will be available to **OPJC** for its operations in the upcoming year. The final draft may need to be amended to reflect the actual amount appropriated to **OPJC**.

Any needed amendments are discussed with the Chief Judge and the Judicial Administrator and an amended final budget is prepared for presentation to the Judges *En Banc* for final review and approval.

Once the budget is approved by the Judges *En Banc*, the steps outlined in LSA-R.S. 39:130 I et seq. are implemented. Those provisions require **OPJC** to advertise, thirty days in advance thereof, the date, place and time of a public hearing for the adoption of the future year's budget. The proposed budget is available for inspection by members of the public prior to the hearing. At the hearing the proceedings are recorded and the Judges are available to address any issues or concerns raised by any members of the public.

The **OPJC** budget is generally approved and adopted in December of the preceding year.

The Fiscal Administrator is charged with the responsibility of supervising staff in the monitoring of revenues and expenditures to insure that **OPJC** operates within its approved budget.

See Independent Auditors' Report on Supplementary Information.

OTHER
SUPPLEMENTARY INFORMATION

SCHEDULE III

**ORLEANS PARISH JUVENILE COURT
COMBINING BALANCE SHEET SPECIAL
REVENUE FUNDS DECEMBER 31, 2021**

	<u>Case Processing Fund</u>	<u>Bond Escrow Fund</u>	<u>Special Probation Fund</u>	<u>Traffic Fund</u>	<u>Total</u>
ASSETS					
Cash	\$46,239	\$21,180	\$ 79,061	\$115,771	\$262,251
Interfund receivables	13,610	4,800	37,475	43,700	99,585
Other	<u>457</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>457</u>
Total assets	<u>\$60,306</u>	<u>\$25,980</u>	<u>\$116,536</u>	<u>\$159,471</u>	<u>\$362,293</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Fine	\$ -0-	-0-	-0-	5	5
Interfund	<u>35</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>35</u>
Total liabilities	<u>35</u>	<u>-0-</u>	<u>-0-</u>	<u>5</u>	<u>40</u>
Fund balances:					
Committed	<u>60,271</u>	<u>25,980</u>	<u>116,536</u>	<u>159,466</u>	<u>362,253</u>
Total fund balances	<u>60,271</u>	<u>25,980</u>	<u>116,536</u>	<u>159,466</u>	<u>362,253</u>
Total liabilities and fund balances	<u>\$60,306</u>	<u>\$25,980</u>	<u>\$116,536</u>	<u>\$159,471</u>	<u>\$362,293</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**ORLEANS PARISH JUVENILE COURT COMBINING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Case Processing Fund</u>	<u>Bond Escrow Fund</u>	<u>Special Probation Fund</u>	<u>Traffic Fund</u>	<u>Total</u>
REVENUES					
Fines and fees	\$ <u>479</u>	\$ <u>5,775</u>	\$ <u>-0-</u>	\$ <u>22,972</u>	\$ <u>29,226</u>
Total revenues	<u>479</u>	<u>5,775</u>	<u>-0-</u>	<u>22,972</u>	<u>29,226</u>
EXPENDITURES					
Administrative costs	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50</u>	<u>50</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50</u>	<u>50</u>
TRANSFERS					
Transfers from (to) other funds	<u>(146)</u>	<u>89</u>	<u>(49)</u>	<u>225</u>	<u>119</u>
Total transfers	<u>(146)</u>	<u>89</u>	<u>(49)</u>	<u>225</u>	<u>119</u>
Change in fund balance	333	5,864	(49)	23,147	29,295
Fund balances, beginning of year	<u>59,938</u>	<u>20,116</u>	<u>116,585</u>	<u>136,319</u>	<u>332,958</u>
Fund balances, end of year	\$ <u>60,271</u>	\$ <u>25,980</u>	\$ <u>116,536</u>	\$ <u>159,466</u>	\$ <u>362,253</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE V

**ORLEANS PARISH JUVENILE COURT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
DECEMBER 31, 2021**

	<u>Supporting Fund</u>	<u>Restitution Fund</u>	<u>Orleans Public Defender Program Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ 11,500	\$12,894	\$2,411	\$129,877	\$156,682
Interfund receivables	<u>134,866</u>	<u>22,318</u>	<u>1,906</u>	<u>236,487</u>	<u>395,577</u>
Total assets	<u>146,366</u>	<u>35,212</u>	<u>4,317</u>	<u>366,364</u>	<u>552,259</u>
LIABILITIES					
Fines collection payable	15,100	35,212	1,730	-0-	52,042
Interfund payables	22,794	-0-	2,587	-0-	25,381
Bonds outstanding	-0-	-0-	-0-	366,364	366,364
Unprocessed payments	<u>108,472</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>108,472</u>
Total liabilities	<u>146,366</u>	<u>35,212</u>	<u>4,317</u>	<u>366,364</u>	<u>552,259</u>
Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE VI

ORLEANS PARISH JUVENILE COURT
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO CHIEF JUDGE FOR
THE YEARENDEDDECEMBER31, 2021

Chief Judge Name:	Honorable Candice Bates-Anderson 1/1/2021 - 7/22/2021	Honorable Ranord Darensburg 7/23/2021-12/31/2021
Purpose		
Benefits - insurance	\$ 5,049	\$4,959
Telephone	601	429
Dues	745	250
Travel and related expenses	675	1,791
Per Diem	-0-	441
	<u>\$ 7,070</u>	<u>\$7,870</u>

NOTE: The salary and related benefits for the Chief Judge is paid directly by the Supreme Court of Louisiana. As such, the judge receives no compensation for serving in her capacity on the *En Banc*.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE VII

ORLEANS PARISH JUVENILE COURT
JUSTICE SYSTEM FUNDING SCHEDULE (COLLECTING/DISBURSING)
FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended <u>June 30, 2021</u>	Second Six Month Period Ended <u>December 31, 2021</u>
Beginning cash on hand	\$ -0-	\$ -0-
Add: Collections		
Filing fees	750	1,200
Court fees probation	35	-0-
Case processing fees	5,624	205
Traffic	16,416	6,556
Bond processing fees	175	250
Adoption fees	27,310	24,104
Bonds	57,600	4,100
Service fees	<u>111</u>	<u>262</u>
Subtotal collections	\$ <u>108,021</u>	\$ <u>36,677</u>
Less: Disbursements to Government and Non-profits		
Judges' Supplemental Fund	1,479	1,060
LA Judicial College court costs	<u>101</u>	<u>88</u>
Subtotal disbursements to government and non-profits	<u>1,580</u>	<u>1,148</u>
Less: Amounts Retained by OPJC	<u>49,591</u>	<u>22,779</u>
Less: Disbursements to Individuals/3rd Party or processing Agencies		
Curator	5,850	11,750
Bonds	<u>51,000</u>	<u>1000</u>
Subtotal disbursements to individuals 3" party, etc.	<u>56,850</u>	<u>12,750</u>
Total: Ending balance of amounts not disbursed	\$ <u>-0-</u>	\$ <u>-0-</u>

See Independent Auditors' report on Supplementary Information.

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

To The Honorable Judges *En Banc*
Orleans Parish Juvenile Court
New Orleans, Louisiana

We have audited in accordance with the 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 Controller General of the United States of America the financial statements of the governmental activities, the major fund and the aggregate remaining fund information and the related notes to the financial statements which collectively comprise the basic financial statements of **Orleans Parish Juvenile Court (OPJC)** as of and for the year ended December 31, 2021, and have issued our report thereon dated June 30, 2022.

Internal Control Over Financial Reporting:

In planning and performing our audit of the basic financial statements, we considered OPJC's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of OPJC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of OPJC's internal control over financial reporting.

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

(CONTINUED)

Internal Control Over Financial Reporting, Continued

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying Summary Schedule of Findings and Responses as item 2021-001 that we consider to be a material weakness, and item 2021-002 which we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of **OPJC's** financial statements will not be prevented, or detected and corrected by **OPJC** on a timely basis. A *significant deficiency* is a deficiency or combination of deficiencies in internal control over financial reporting that is less severe than a material weaknesses, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **OPJC's** basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

(CONTINUED)

OPJC's Response to Findings

OPJC's response to the internal control over financial reporting findings identified in our audit is described in the accompanying Summary Schedule of Finding and Response under the caption "Management's Response and Planned Corrective Action" and/or "Current Status." OPJC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of OPJC's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* considering OPJC's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 30, 2022

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

Section I- Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted:

No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Not Applicable
- Significant deficiency (ies) identified? Not applicable

Type of auditor's report issued on compliance for major programs:

Not Applicable

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of *the Uniform Guidance*?

Not Applicable

ORLEANS PAIUSH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section I- Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Programs:	Not Applicable
Dollar threshold used to distinguish between Type A and Type B programs:	Not Applicable
Auditee qualified as low-risk auditee?	Not Applicable

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings and Responses

Reference Number

2021-001

Criteria

Management is responsible for the design, implementation and operation of internal controls to safeguard assets of **OPJC**. Further the design and operation of **OPJC's** internal control should ensure that employees and management are able to prevent, or detect and correct misstatements in a timely manner in the course of performing their assigned functions.

Condition

On December 8, 2019, **OPJC's** financial data base application to include other records generated using installed software for operations located on the City of New Orleans' server, were subjected to a cyber breach. As a result of the breach, **OPJC's** financial and other data were compromised for all data located on the server through October 31, 2019.

As a result of the reconstruction, and through the year ended December 31, 2021, the general ledger provided in connection with the current audit for governmental activities reflects a continued out of balance condition of \$61,594.

Context

Total assets, liabilities and net position at December 31, 2021 were \$1,707,882, \$563,460 and \$1,144,421.

Questioned Costs

None.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II- Financial Statement Findings and Responses, Continued

Reference Number, Continued

2021-001

Cause

The result of a cyber breach on the City of New Orleans' server which "houses" **OPJC's** complete financial records and other data and subsequent reconstruction of the 2019 financial records.

Effect or Potential Effect

Impact of the referenced condition includes incomplete financial statements from which management and the en banc will rely on to make informed decisions.

Recommendation

We recommend that management continue its review and perform analysis of its prepared financial statements for completeness and revisit with its current policies and procedures to ensure that it mitigates the potential for loss of records that may result from a potential cyber-attack to include a system "crash".

Management's Response and Planned Corrective Action

OPJC has acquired a software package that is "cloud based" and continues to mitigate future loss of financial records through reassessment and updates as necessary.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings and Responses, Continued

Reference Number

2021-002

Criteria

Management is required to establish and maintain internal controls designed to reasonably ensure completeness in recorded financial transactions.

Condition

Our review of restitution payable, support payments due, and bonds outstanding in the Fiduciary Fund revealed significant rolling balances for a number of years without the benefit of any activity.

In addition, **OPJC** is unable to produce an accurate detail of the balances in these accounts.

Context

Total liabilities for the Fiduciary Fund at December 31, 2021 were \$552,259.

Questioned Costs

None.

Cause

Lack of an established system to ensure the accumulation of required data to include the periodic analysis and reconciliation of all significant general ledger control accounts.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings and Responses, Continued

Reference Number, Continued

2021-002

Effect or Potential Effect

Potential for misstatement in prepared financial statements.

Recommendation

The fiscal administrator has initiated a review and we recommend that **OPJC** investigate the nature of these balances and that any invalid payables be disposed of. We also recommend that **OPJC** begin reconciling these accounts on a timely basis to ensure that all activity is being appropriately accounted for on a current basis. Such a process should provide for a timely assessment of data needed for all court ordered collections.

Management's Response and Corrective Action Plan

Management of **OPJC** continues to investigate using the prepared partial detail listing of participants for the restitution and bond accounts reconstructed records. **OPJC** is still in the process of locating files and has established procedures to move forward with the full resolution of this matter.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section III- Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended December 31, 2021.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section IV- Status of Prior Year's Findings and Responses

Reference Number

2020-001

Criteria

Management is responsible for the design, implementation and operation of internal controls to safeguard assets of **OPJC**. Further the design and operation of **OPJC**'s internal control should ensure that employees and management are able to prevent, or detect and correct misstatements in a timely manner in the course of performing their assigned functions.

Condition

On December 8, 2019, **OPJC**'s financial data base application to include other records generated using installed software for operations located on the City of New Orleans' server, were subjected to a cyber breach. As a result of the breach, **OPJC**'s financial and other data were compromised for all data located on the server through October 31, 2019.

As a result of the reconstruction, and through the year ended December 31,2020, the general ledger provided in connection with the current audit reflects a continued out of balance condition of 61,594. This condition is similar to prior year's finding reference number 2019-001.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section IV - Status of Prior Year's Findings and Responses, Continued

Reference Number, Continued

2020-001

Context

Total assets, liabilities, and net position at December 31, 2020 were \$1,646,170, \$520,290 and \$1,125,880.

Questioned Costs

None.

Cause

The result of a cyber breach on the City of New Orleans' server which "houses" **OPJC's** complete financial records and other data and subsequent reconstruction of the 2019 financial records.

Effect or Potential Effect

Impact of the referenced condition includes incomplete financial statements from which management and the en banc will rely on to make informed decisions.

Recommendation

We recommend that management continue its review and analysis of prepared financial statements for completeness and revisit with its current policies and procedures to ensure that it mitigates the potential for loss of records that may result from a potential cyberattack to include a system "crash".

Current Status

Unresolved as it related to the out of balance condition. See current year's finding reference number 2021-001.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section IV- Status of Prior Year's Findings and Responses, Continued

Reference Number

2020-002

Criteria

Management is required to establish and maintain internal controls designed to reasonably ensure completeness in recorded financial transactions.

Condition

Our review of restitution payable, support payments due, and bonds outstanding in the Fiduciary Fund revealed significant rolling balances for a number of years without the benefit of any activity.

In addition, OPJC is unable to produce an accurate detail of the balances in these accounts.

Context

Total liabilities for the Fiduciary Fund at December 31, 2020 were \$542,524.

Questioned Costs

None.

Cause

Lack of an established system to ensure the accumulation of required data to include the periodic analysis and reconciliation of all significant general ledger control accounts.

Effect or Potential Effect

Potential for misstatement in prepared financial statements.

ORLEANS PARISH JUVENILE COURT
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section IV- Status of Prior Year's Findings and Responses, Continued

Reference Number, Continued

2020-002

Recommendation

The fiscal administrator has initiated a review and we recommend that **OPJC** investigates the nature of these balances and that any invalid payables be disposed of. We also recommend that **OPJC** began reconciling these accounts on a timely basis to ensure that all activity is being appropriately accounted for on a current basis. Such a process should provide for a timely assessment of data needed for all court ordered collections.

This condition is similar to prior year's finding reference number 2019-002.

Current Status

Unresolved. See current year's finding reference number 2021-002.

ORLEANS PARISH JUVENILE COURT

EXIT CONFERENCE

An exit conference and other meetings were held with representatives of Orleans Parish Juvenile Court. The contents of this report were discussed and management is in agreement. Those persons who participated in this and previous discussions are as follows:

ORLEANS PARISH JUVENILE COURT

Yolanda Johnson

Fiscal Administrator

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Paul K. Andoh, Sr., CPA, MBA, CGFM, COMA

Partner

Jamia Steptore

In-Charge Accountant

Jeremy Buffington

Senior Accountant

Joseph Nguyen

Staff Accountant

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

To the Honorable Judges *En Banc*
Orleans Parish Juvenile Court
New Orleans, Louisiana

Management of **Orleans Parish Juvenile Court (OPJC)** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements of **OPJC** as of and for the year ended December 31, 2021, we considered **OPJC's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **OPJC's** internal control. Accordingly, we do not express an opinion on the effectiveness of **OPJC's** internal control.

We discussed with management the current status of prior year's other matters. We previously reported on **OPJC's** internal control in our report dated June 30, 2022. This letter does not affect our report dated June 30, 2022 on the financial statements of **OPJC**.

We will review the status of the other matters during our next engagement. We have already discussed these other matters with **OPJC's** personnel, and we will be pleased to discuss these other matters in further detail at your convenience.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Current Year's Other Matters
2021

No current year's other matters were reported for the year ended December 31, 2021.

Prior Year's Other Matters
2020

Our discussion of the prior year's other matters follows:

Reference Number

OM 2020-001

Criteria

Management of OPJC is responsible for the design, implementation and operation of internal control to safeguard the assets of OPJC. Further the design and operation of OPJC's internal control should ensure that employees and management are able to prevent, or detect and correct misstatements in a timely manner in the normal course of performing their assigned functions.

Condition

Our testwork performed on sampled cash disbursements transactions, revealed:

- In one (1) of seventy (70) cash disbursement documents reviewed, we noted where the documentation provided reflected expenses for training, but coded to a supplies and materials category. It is our understanding through discussion with management that the classification was based on the grant award cost line item.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Prior Year's Other Matters, Continued
2020

Reference Number, Continued
OM 2020-001

Condition, Continued

- For two (2) of the seventy (70) disbursement transactions, we noted where the supporting documents were not in agreement with the disbursed amount.
- Further in one (1) instance we noted where an invoice was processed twice for payment.

Context

Total revenues including on-behalf payments for the year ended December 31, 2020 were \$4,247,228 and total expenses were \$4,221,275.

Cause

Level of oversight afforded to the monthly financial reporting process.

Effect or Potential Effect

Potential for inaccurate financial statements coupled with the possibility for duplicate payments to vendors.

Recommendation

Institute a quality control process to ensure completeness in its monthly disbursement processes to include an enhanced oversight.

Current Status

Resolved.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Prior Year's Other Matters, Continued
2020

Reference Number

OM 2020-002

Criteria

Management is responsible for the design, implementation and operation of internal controls to safeguard assets of OPJC. Further the design and operation of OPJC's internal control should ensure that employees and management are able to prevent, or detect and correct misstatements in a timely manner in the course of performing their assigned functions.

Condition

Our testing of contractor (vendor) payments to executed contracts revealed the following conditions:

- In one (1) of eight (8) contractor payments, management was unable to locate an executed contract; and
- In two (2) of eight (8) contractor payments, the recorded contract payments varied from the respective executed contract amounts and the filed IRS Form 1099.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Prior Year's Other Matters, Continued
2020

Reference Number, Continued
OM 2020-002

Context

Total expenses for the year ended December 31, 2020 was \$4,221,275.

Cause

Lack of an effective system in place to ensure completeness in monthly and annual financial closing activities.

Effect or Potential Effect

Potential impact of the referenced condition includes incomplete financial statements from which management and the en banc will rely on to make informed decisions to include potential for misappropriation of assets.

Recommendation

We recommend that management revisits with its established policies and procedures to ensure compliance.

Current Status

Resolved.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Prior Year's Other Matters, Continued
2020

Reference Number

OM 2020-003

Criteria

Management of **OPJC** is responsible for the design, implementation and operation of internal control to safeguard the assets of **OPJC**. Further the design and operation of **OPJC's** internal control should ensure that employees and management are able to prevent, or detect and correct misstatements in a timely manner in the normal course of performing their assigned functions.

Condition

Our testwork performed on twenty-seven (27) sampled journal entries revealed the following conditions:

- In all twenty-seven (27) instances, we noted no documented evidence of the preparer and supervisory review and approval beyond that of the preparer.
- In one (1) instance, we noted where the transaction was posted to an incorrect general ledger account based on nature of expense.

Context

Total revenues including on-behalf payments for the year ended December 31, 2020 were \$4,247,228 and total expenses were \$4,221,275.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Prior Year's Other Matters, Continued
2020

Reference Number, Continued
OM 2020-003

Cause

Level of oversight afforded.

Effect or Potential Effect

Potential for inaccurate financial statements coupled with the possibility for duplicate payments to vendors.

Recommendation

Institute a quality control process to ensure completeness in its monthly disbursement processes to include an enhanced oversight.

Current Status

Resolved.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Prior Year's Other Matters, Continued
2020

Reference Number, Continued

OM 2020-004

Criteria

Management is responsible for the design, implementation and operation of internal controls to safeguard assets of OPJC. Further the design and operation of OPJC's internal control should ensure that employees and management are able to prevent, or detect and correct misstatements in a timely manner in the normal course of performing their assigned functions.

Condition

A review of various general ledger account balances revealed liability accounts with unchanged balances between years.

Context

Total amount of liabilities at December 31, 2020 was \$520,290.

Cause

Lack of an effective system in place to ensure completeness in monthly and annual financial closing activities.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

Prior Year's Other Matters, Continued
2020

Reference Number, Continued

OM 2020-004

Effect or Potential Effect

Potential impact of the referenced condition includes incomplete financial statements from which management and the en banc will rely on to make informed decisions to include potential misappropriation of assets.

Recommendation

We recommend that management revisits with its established policies and procedures to ensure compliance.

Current Status

Partially resolved.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)**

OPJC's response to the other matters identified in our audit is described in the accompanying report on other matters related to internal control under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". We did not audit OPJC's response and, accordingly, we express no opinion on it.

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions or require further details, please do not hesitate to call.

This report is intended solely for the information of the management of OPJC, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 30, 2022

ORLEANS PARISH JUVENILE COURT
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2021

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

To the Judges of En Banc
Orleans Parish Juvenile Court
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by **Orleans Parish Juvenile Court (OPJC)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the year ended December 31, 2021. **OPJC's** management is responsible for those control and compliance identified in the SAUP.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the following procedures described either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

The procedures and related findings to the SAUP are as follows:

Written Policies and Procedures

1. Procedures

We obtained OPJC's written policies and procedures and observed that the policies and procedures addressed each of the following financial categories and subcategories, as applicable:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Finding

No exceptions noted.

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Written Policies and Procedures, Continued

1. Procedures, Continued

- c) Disbursements, including processing, reviewing, and approving.

Finding

No exceptions noted.

- d) Receipts including receiving, recording, and preparing deposits and completeness of all collections.

Finding

No exceptions noted.

- e) Payroll/Personnel including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Finding

No exceptions noted.

- f) Contracting including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Written Policies and Procedures, Continued

1. Procedures, Continued

- g) Credit, debit and fuel cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Finding

No exceptions noted.

- h) Travel and travel related expense reimbursements including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Finding

No exceptions noted.

- i) *Ethics*, including (1) prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, are notified of any changes to **OPJC's** ethics policy.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Written Policies and Procedures, Continued

1. Procedures, Continued

- j) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Finding

No exceptions noted.

- k) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) OPJC's responsibilities and prohibitions,(2) annual employee training, and (3) annual reporting.

Finding

No exceptions noted.

Board (or Finance Committee, if applicable)

2. Procedures

We obtained and reviewed the board/committee minutes as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Board (or Finance Committee, if applicable), Continued

2. Procedures, Continued

- a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Finding

No exceptions noted.

- b) Reported whether the minutes referenced or included monthly budget to actual comparisons on the general fund, quarterly budget to actual, at a minimum of proprietary funds, and semi annual budget to actual, at a minimum on special funds, as applicable.

Finding

No exceptions noted.

- c) Obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Bank Reconciliations

3. Procedures

We obtained a listing of **OPJC's** bank accounts from management and management's representation that the listing is complete.

Finding

No exceptions noted.

4. Procedures

Using the listing provided by management, we selected **OPJC's** main operating and randomly selected four (4) additional accounts. For each of the bank accounts selected, we obtained bank statements and reconciliations for one (1) month in the fiscal period and observed that:

- a) Bank reconciliations bear evidence that they have been prepared within two (2) months of the related statements closing date;

Finding

All bank account reconciliation bear evidence of the preparer but no date to facilitate review of the preparation date.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Finding

No exceptions noted,

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve (12) months as of the end of the fiscal period.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Bank Reconciliations, Continued

Finding

Noted no documentation to support research for stale dated reconciling items observed.

Management's Response

Management will provide additional training to staff to ensure the timely identification and resolve for all stale dated outstanding items.

Collections

5. Procedures

We obtained a listing of deposit site(s) and collection location(s) for the year ended December 31, 2021 where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We selected the only deposit site.

Finding

No exceptions noted.

6. Procedures

Using the listing provided by management, we randomly selected **OPJC's** only cash collection location. For the cash collection location selected, we observed that job duties are properly segregated to the collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Collections, Continued

6. Procedures, Continued

Finding

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Finding

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee is responsible for reconciling ledger postings to each other and to the deposit.

Finding

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Collections, Continued

7. Procedures

We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was in force during the fiscal period.

Finding

No exceptions noted.

8. Procedures

We randomly selected two (2) deposit dates for each of the five (5) bank accounts. We obtained supporting documentation for each of the ten (10) deposits and :

- a) We observed that receipts are sequentially pre-numbered.

Finding

No exceptions noted.

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding

No exceptions noted.

- c) Traced the deposit slip total to the actual deposit per the bank statement.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Collections, Continued

Finding

No exceptions noted.

- d) We observed that the deposit was made within one business day of receipt at the collection location (within one week of depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash was stored securely in a locked safe or drawer).

Finding

No exceptions noted.

- e) Traced actual deposit per the bank statement to the general ledger.

Finding

No exceptions noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

9. Procedures

We obtained a listing of locations that process payments for the year ended December 31, 2021 and management's representation that the listing is complete. We selected the only location.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases), Continued

10. Procedures

For the location selected under #9 above, we obtained a listing of those employees involved with non-payroll purchasing functions. We obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:

- a) At least two (2) employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Finding

No exceptions noted.

- b) At least two (2) employees are involved in processing and approving payments to vendors.

Finding

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Finding

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases), Continued

10. Procedures, Continued

Finding

No exceptions noted.

11. Procedures

For the location selected under #9 we, obtained the **OPJC's** non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected five (5) disbursements for the location, obtained supporting documentation for each transaction and:

- a) We observed that the disbursement matched the related original invoice/billing statement (and supporting documentation indicates deliverables included on the invoice were received by **OPJC**).

Finding

No exceptions noted.

- b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #10, as applicable.

Finding

No exceptions noted

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Procedures

We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), where applicable for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

Finding

No exceptions noted.

13. Procedures

Using the listing prepared by management, we randomly selected the only credit card that was used during the fiscal period. We randomly selected one monthly statement or combined statement for the card, obtained supporting documentation, and:

- a) We observed whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases, exception reports or excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Finding

No exceptions noted.

- b) We observed that finance charges and late fees were not assessed on the selected statements.

Finding

No exceptions noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Credit Cards/Debt Cards/Fuel Cards/P-Cards, Continued

14. Procedures

Using the monthly statement(s) or combined statement(s) selected under #13, excluding fuel cards, we randomly selected ten (10) transactions from the statement, and obtained supporting documentation for the transactions. For each transaction we observed it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding

No exceptions noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Procedures

We obtained from management a listing of all travel and travel-related expense reimbursements during the year ended December 31, 2021 and management's representation that the listing or general ledger is complete. We randomly selected five (5) reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected, we noted:

- a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Finding

No exceptions noted.

- b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Travel and Travel-Related Expense Reimbursements (excluding card transactions)
(Continued)

15. Procedures, Continued

Finding

No exceptions noted.

- c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding

No exceptions noted.

Contracts

16. Procedures

We obtained from management a listing of all agreements or contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly select five (5) contracts (or all contracts if less than 5) from the listing, and:

- a) We observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g. solicited quotes or bids, advertised), if required by law.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Contracts

16. Procedures

- b) We observed whether the contract was approved by the governing body board, if required by policy or law.

Finding

No exceptions noted.

- c) If the contract was amended (e.g. change order), observed the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Finding

No exceptions noted.

- d) We randomly selected one (1) payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Payroll and Personnel

17. Procedures

We obtained a listing of employees employed during the year ended December 31, 2021 and management's representation that the listing is complete. We randomly selected five (5) employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Finding

No exceptions noted.

18. Procedures

We randomly selected one (1) pay period during the year ended December 31, 2021. For the five (5) employees selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:

- a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Finding

No exceptions noted

- b) We observed that supervisors approved the attendance and leave of the selected employees/officials.

Finding

No exceptions noted.

- c) We observed that any leave accrued or taken during the pay period is reflected in OPJC's cumulative leave records.
- d) We observed the rate paid to the employees or officials agreed to the authorized salary/pay rate found within the personnel file.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Payroll and Personnel, Continued

18, Procedures, Continued

Finding

No exceptions noted.

19. Procedures

We obtained a listing of those employees that received termination payments during the year ended December 31, 2021 and management's representation that the listing is complete. We randomly selected two (2) employees, obtained related documentation of the hours and pay rates used in management's termination payment calculations and OPJC's policy on terminations. Agreed the hours to the employee's cumulate leave records, and agreed the pay rates to the employees' authorized pay rates in the employees' personnel files and agreed the termination payment to OPJC's policy.

Finding

No exceptions noted.

20. Procedures

We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Ethics

21. Procedures

Using the five (5) randomly selected employees from procedure #17 under "Payroll and Personnel" we obtained ethics documentation from management, and:

- a) We observed whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Finding

No exceptions noted.

- b) We observed whether **OPIC** maintains documentation which demonstrates each employee and official were notified of any changes to **OPJC's** policy during the fiscal period, as applicable.

Fraud Notice

22. Procedures

Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that **OPJC** reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which **OPJC** is domiciled.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Fraud Notice, Continued

23. Procedures

We observed that **OPJC** has posted, on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Finding

No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

24. Procedures

We performed the following procedures, and verbally discussed the results with management.

- a) We obtained and inspected **OPJC's** most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g. tapes, CDs), observed evidence that backups are encrypted before being transported.
- b) We obtained inspected **OPJC's** most recent documentation that it has tested and verified that its backups can be restored and observed evidence that the test/verification was successfully performed within the past three (3) months.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Information Technology Disaster Recovery/Business Continuity, Continuity

24. Procedures, Continued

- c) We obtained a listing of OPJC's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected five (5) computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use currently supported by the vendor.

Finding

We performed the procedures and discussed the results with management.

Sexual Harassment

25. Procedures

Using the five (5) randomly selected employees from procedure #17 under "Payroll and Personnel", we obtained sexual harassment training documentation from management, and observed that the documentation demonstrates that each employee completed at least one (1) hour of sexual harassment training during the calendar year.

Finding

No exceptions noted.

26. Procedures

We observed that OPJC has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on OPJC's premises if OPJC does not have a website).

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Sexual Harassment, Continued

27. Procedures

Obtained **OPJC**'s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in **OPJC** who have completed the training requirements.
- b) Number of sexual harassment complaints received by **OPJC**.
- c) Number of complaints which resulted in a finding that sexual harassment occurred.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Finding

No exceptions noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, respectively, on those compliance and control areas identified in the SAUP. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those compliance and control areas identified in the SAUP, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 30, 2022