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**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**HARVEY, LOUISIANA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**HARVEY, LOUISIANA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Juvenile Court for the Parish of Jefferson (the Court), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court, as of December 31, 2017, 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.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and pages 28 through 30 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. 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head, on page 31, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head is the responsibility of management and was 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, the Schedule of Compensation, Benefits, and Other Payments to the Agency Head is fairly stated in all material respects in relation to the basic financial statements as a whole.



*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2018, on our consideration of the Court'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 the Court's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 15, 2018

## **JUVENILE COURT FOR THE PARISH OF JEFFERSON**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2017**

As financial management of the Juvenile Court for the Parish of Jefferson (The "Court"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Court for the fiscal year ending December 31, 2017. This discussion and analysis is designed to assist the reader with focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements taken as a whole.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the Court exceeded its liabilities at the close of the most recent fiscal year by \$4,348,944 (net position). Of this amount, \$2,371,993 is unrestricted net position, which may be used to meet the Court's ongoing obligations to citizens and creditors.
- The Court's net position increased by \$249,984.
- As of the close of the current fiscal year, the Court's governmental funds reported combined ending fund balance of \$2,260,245.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the Court's finances, in a manner similar to a private sector business.

The statement of net position presents financial information on all of the Court's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.

The statement of activities presents information showing how the Court's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in future fiscal periods (e.g., earned but unused vacation leave).

In the Statement of Net Position and the Statement of Activities and Changes in Net Position, we separate the Court activities as follows: governmental activities-most of the Court's basic services are reported in this category, including the Judicial Expense, Drug Court Program, and Families in Need of Services (FINS) Program. Parish appropriations, court costs, interest income, and state and federal grants finance these activities.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2017**

**FUND FINANCIAL STATEMENTS**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Court can be divided into two categories: governmental funds and fiduciary funds.

***Governmental Funds***

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

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

The Court maintains three individual governmental funds. Each of the governmental funds are considered to be major funds.

The Court adopts an annual appropriated budget for its general fund (the Judicial Expense Fund) and the special revenue funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Court's own programs. The Court maintains three fiduciary funds. The funds report resources held by the Court in a custodial capacity for individuals and other governments.

**Notes to the Financial Statements**

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

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2017**

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Court's budgetary comparison schedules for the Judicial Expense Fund and each major Special Revenue Fund.

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position.

***Net Position***

The most significant component of the Court's net position is the unrestricted balance of \$2,371,993 and this may be used to meet the government's ongoing obligations to its citizens and creditors. The Court's restricted net position is restricted primarily to be used as indicated by the grant requirements. The remaining balance is net investment in capital assets which totaled \$1,964,185 as of December 31, 2017.

**Juvenile Court for the Parish of Jefferson  
Net Position**

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 2,565,406	\$ 2,862,995
Capital assets	<u>1,964,185</u>	<u>1,522,877</u>
Total assets	<u>4,529,591</u>	<u>4,385,872</u>
Current liabilities	<u>180,647</u>	<u>286,912</u>
Total liabilities	<u>180,647</u>	<u>286,912</u>
Net position:		
Net investment in capital assets	1,964,185	1,522,877
Restricted	12,766	13,129
Unrestricted	<u>2,371,993</u>	<u>2,562,954</u>
	<u>\$ 4,348,944</u>	<u>\$ 4,098,960</u>

All investments were held with the Louisiana Asset Management Pool (LAMP). Investments totaled \$1,636,150 as of December 31, 2017, which represents a \$185,316 increase from the previous year. Grants receivable totaled \$267,352 which is related to grant reimbursements outstanding as of December 31, 2017. The increase in Grants receivable is due primarily to a increase in the amount of grant reimbursements outstanding as of December 31, 2017. The cash balance as of December 31, 2017 was \$621,353 which represents a decrease of \$474,845 or 43.3%. This decrease is primarily related to courthouse renovations, as well as transfers to the LAMP account.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2017**

The analysis below will focus on key elements of the Court's financial activities for the years ended December 31, 2017 and 2016.

***Governmental Activities***

During the current fiscal year, net position for governmental activities increased by \$249,984 or 6.1%. Unrestricted net position decreased by \$190,961 or 7.5% for the year ended December 31, 2017.

**Juvenile Court for the Parish of Jefferson  
Changes in Net Position**

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues		
Charges for services	\$ 1,349,927	\$ 1,347,394
Operating grants and contributions	655,779	662,573
General revenues	<u>4,071,260</u>	<u>4,193,233</u>
Total revenues	6,076,966	6,203,200
Expenses		
Judicial Expense	5,344,573	5,344,419
Drug Court Program	193,729	199,558
FINS Assistance Program	<u>288,680</u>	<u>273,586</u>
Total expenses	<u>5,826,982</u>	<u>5,817,563</u>
Change in net position	249,984	385,637
Net position, beginning of year	<u>4,098,960</u>	<u>3,713,323</u>
Net position, end of year	<u>\$ 4,348,944</u>	<u>\$ 4,098,960</u>

Total revenues decreased by \$126,234 from \$6,203,200 in 2016 to \$6,076,966 in 2017. The decrease in revenues was due primarily to a decrease in intergovernmental revenue related to the on-behalf payments from Jefferson Parish for payroll related expenses.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Judicial Expense Fund** – Total revenues decreased by \$94,796 or 1.7% from 2016 to 2017. The decrease is due to a decrease in intergovernmental revenues related to payroll costs paid for by Jefferson Parish on behalf of the Court. Total expenses increased by \$137,450 or 2.4% from 2016 to 2017, primarily due to capital outlay expenses relating to courthouse renovations.

**Drug Court Fund** – Total revenues decreased \$55,102 or 29.4% from 2016 to 2017. The decrease is due to a decrease in Temporary Assistance to Needy Families funding received during the year ended December 31, 2017. Total expenses decreased \$5,829 or 2.9% from 2016 to 2017.

**FINS Fund** – Total revenues remained at \$237,092 from 2016 to 2017. Total expenses increased

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2017**

\$15,841 or 5.8% from 2016 to 2017.

**Budgetary Highlights**

The original budgets adopted for the Judicial Expense Fund and the Special Revenue Funds were amended during the fiscal year for changes in various operating and administrative expenditures necessary for the operation of the Court. The Judicial Expense Fund budget accounts for expenditures made on the Court's behalf by the Jefferson Parish Council, federal grant revenues, and interest on investments, and consulting fees relating to Title IV-E that are not specifically allocated to the special revenue funds. The budgeted revenues and other financing sources were more than final actual revenues and other financing sources by \$516,153 due to grant funds from Title IV-E not received or recorded until March 2018, but these funds were expected to be received in 2017. Additionally, budgeted revenues and other financing sources were more than final actual revenues and other financing sources due to the decrease in fines and fees revenue.

**Capital Assets**

The Court's net investment in capital assets, net of accumulated depreciation, amounts to \$1,964,185 as of December 31, 2017. Capital assets include building improvements, equipment, and furniture. Major capital asset events during the current fiscal year included courthouse improvements and equipment. The renovated areas include public restrooms, staff break rooms, courtrooms, waiting areas and kitchenettes. The Court is not responsible for any infrastructure.

**Economic Outlook, FY 2018 Budgets, and Funding Issues**

During 2017, management did not request any additional positions from the General fund to be included in the allocation of costs from Jefferson Parish, which pays for the vast majority of the Court's personnel costs. Intergovernmental revenues are expected to remain consistent in 2018. In 2017, the Parish offered a 5% merit pay increases to eligible employees. In 2018, the Parish provided a 5% merit increase effective on the employees' anniversary date.

Title IV-E funding is allocated to special revenue funds. The amount anticipated in reimbursements has steadily increased over the last 3 quarters of 2017 due to additional training and better documentation in determining eligibility status. Title IV-E revenue is expected to continue on this pattern throughout 2018.

Temporary Assistance to Needy Families (TANF) funding represents the major source of funds for Drug Court and is expected to remain unchanged in 2018. Families in Need of Services funding is expected to remain unchanged in 2018.

Capital outlays remained consistent in 2017 and are anticipated to increase in 2018. The Judges have appropriated funds to cover special maintenance projects for the courthouse.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2017**

**Requests for Information**

This financial report is designed to provide a general overview of the Court's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to Dawn Palermo, Judicial Administrator, Juvenile Court for the Parish of Jefferson, Post Office Box 1900, Harvey, Louisiana 70059.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	<b>Governmental Activities</b>
<b><u>ASSETS:</u></b>	
Cash and cash equivalents	\$ 621,353
Investments	1,636,150
Grants receivable	267,352
Prepays	40,551
Capital assets, net of accumulated depreciation	1,964,185
Total assets	4,529,591
 <b><u>LIABILITIES:</u></b>	
Accounts payable	170,549
Unearned revenue - grant	10,098
Total liabilities	180,647
 <b><u>NET POSITION:</u></b>	
Net investment in capital assets	1,964,185
Restricted	12,766
Unrestricted	2,371,993
Total net position	\$ 4,348,944

See accompanying notes to the financial statements.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

<b><u>Functions/Programs</u></b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:					
Judicial Expense	\$ 5,344,573	\$ 1,349,927	\$ 286,304	\$ (3,708,342)	\$ (3,708,342)
Drug Court Program	193,729	-	132,383	(61,346)	(61,346)
FINS Assistance Program	288,680	-	237,092	(51,588)	(51,588)
Total governmental activities	<u>\$ 5,826,982</u>	<u>\$ 1,349,927</u>	<u>\$ 655,779</u>	<u>(3,821,276)</u>	<u>(3,821,276)</u>
		General revenues:			
				4,077,741	4,077,741
				15,316	15,316
				(21,797)	(21,797)
			Total general revenues	<u>4,071,260</u>	<u>4,071,260</u>
			Change in net position	249,984	249,984
			Net position - beginning	<u>4,098,960</u>	<u>4,098,960</u>
			Net position - ending	<u>\$ 4,348,944</u>	<u>\$ 4,348,944</u>

See accompanying notes to the financial statements.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2017**

	Judicial Expense Fund	Drug Court Expense Fund	FINS Assistance Center Fund	Total Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 571,409	\$ 6,730	\$ 43,214	\$ 621,353
Investments	1,636,150	-	-	1,636,150
Grants receivable	235,089	18,854	13,409	267,352
Prepays	40,551	-	-	40,551
	<u>40,551</u>	<u>-</u>	<u>-</u>	<u>40,551</u>
Total assets	<u>\$ 2,483,199</u>	<u>\$ 25,584</u>	<u>\$ 56,623</u>	<u>\$ 2,565,406</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 111,206	\$ 14,331	\$ 45,012	\$ 170,549
Unearned revenue - grant	-	10,098	-	10,098
	<u>-</u>	<u>10,098</u>	<u>-</u>	<u>10,098</u>
Total liabilities	<u>111,206</u>	<u>24,429</u>	<u>45,012</u>	<u>180,647</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue - grant	124,514	-	-	124,514
	<u>124,514</u>	<u>-</u>	<u>-</u>	<u>124,514</u>
Total deferred inflows of resources	<u>124,514</u>	<u>-</u>	<u>-</u>	<u>124,514</u>
<b><u>FUND BALANCES</u></b>				
Nonspendable	40,551	-	-	40,551
Restricted	-	1,155	11,611	12,766
Committed	1,636,150	-	-	1,636,150
Unassigned	570,778	-	-	570,778
	<u>570,778</u>	<u>-</u>	<u>-</u>	<u>570,778</u>
Total fund balances	<u>2,247,479</u>	<u>1,155</u>	<u>11,611</u>	<u>2,260,245</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,483,199</u>	<u>\$ 25,584</u>	<u>\$ 56,623</u>	<u>\$ 2,565,406</u>

See accompanying notes to the financial statements.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

Total governmental fund balances	\$ 2,260,245
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets are not reported in the fund financial statements because they are not current financial resources, but they are reported in the statement of net position.	1,964,185
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Certain receivables are not available to pay for the current period's expenditures and, are therefore, deferred in the funds	<u>124,514</u>
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Net position of governmental activities	<u><u>\$ 4,348,944</u></u>
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See accompanying notes to the financial statements.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Judicial Expense Fund	Drug Court Expense Fund	FINS Assistance Center Fund	Total
<b><u>REVENUES</u></b>				
Costs, fees and fines	\$ 1,349,927	\$ -	\$ -	\$ 1,349,927
Grant revenues	127,904	132,383	112,092	372,379
Intergovernmental	4,151,153	-	125,000	4,276,153
Interest income	15,316	-	-	15,316
<b>Total revenues</b>	<b>5,644,300</b>	<b>132,383</b>	<b>237,092</b>	<b>6,013,775</b>
<b><u>EXPENDITURES</u></b>				
Current				
Administrative	5,240,670	-	824	5,241,494
Program	-	192,846	287,856	480,702
Capital outlay	567,890	-	-	567,890
<b>Total expenditures</b>	<b>5,808,560</b>	<b>192,846</b>	<b>288,680</b>	<b>6,290,086</b>
Excess of revenues over expenditures	(164,260)	(60,463)	(51,588)	(276,311)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	100,000	60,379	50,776	211,155
Operating transfers out	(211,155)	-	-	(211,155)
<b>Total other financing sources (uses)</b>	<b>(111,155)</b>	<b>60,379</b>	<b>50,776</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(275,415)	(84)	(812)	(276,311)
Fund balances - beginning	2,522,894	1,239	12,423	2,536,556
<b>Fund balances - ending</b>	<b>\$ 2,247,479</b>	<b>\$ 1,155</b>	<b>\$ 11,611</b>	<b>\$ 2,260,245</b>

See accompanying notes to the financial statements.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**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, 2017**

Amounts reported for governmental activities in the statement of activities are different as follows:

Excess (deficiency) of revenues and other sources over (under) expenditures and other uses per fund financial statements	\$ (276,311)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their useful lives and reported as depreciation expense in the current period.

Capital outlay	\$	567,890	
Loss on disposal		(21,797)	
Depreciation expense		(104,786)	441,307

Revenues or inflows in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This represents the change in deferred inflows.	<u>84,988</u>
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Change in net position of governmental activities	<u><u>\$ 249,984</u></u>
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See accompanying notes to the financial statements.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**DECEMBER 31, 2017**

	<b><u>Support Enforcement Fund</u></b>	<b><u>Fees and Assessments Fund</u></b>	<b><u>Total</u></b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 7,510	\$ 47,957	\$ 55,467
Account Receivable	-	25	25
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 7,510</u>	<u>\$ 47,982</u>	<u>\$ 55,492</u>
 <b><u>LIABILITIES</u></b>			
Accounts payable	\$ 7,510	\$ 5,371	\$ 12,881
Escrow liability	-	61	61
Bond liability	-	42,550	42,550
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 7,510</u>	<u>\$ 47,982</u>	<u>\$ 55,492</u>

See accompanying notes to the financial statements.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Juvenile Court for the Parish of Jefferson (the Court) was established by Act 110 of the Extraordinary Session of the 1958 Legislature. There are presently three divisions in the Court (Divisions A, B, and C). The Court is of limited jurisdiction with exclusive original jurisdiction over certain proceedings involving children and adults as set forth in the Louisiana Children's Code. The Court's geographic jurisdiction consists of the Parish of Jefferson.

Governmental Accounting Standards Board (GASB) Statement 14, as amended by Statement 61, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformity with GASB Statement 14, as amended by Statement 61, the financial statements of the Court include all funds and activities that are within the oversight responsibility of the Court.

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

The government-wide financial statements include the statement of net position and the statement of activities and changes in net position. These statements report financial information for the Court as a whole, excluding fiduciary activities such as agency funds. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by the Parish of Jefferson's general revenues, from business-type activities, generally financed in whole, or in part, with fees charged to external customers. The Court has no business-type activities.

The statement of activities and changes in net position reports expenses of a given function, offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and any portions of a fund, or summarizes more than one fund, to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines, and forfeitures, and other charges to the users of the Court's services; (2) operating grants and contributions restricted to certain programs, which finance annual operating activities, including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources, not properly included with program revenues, are reported as general revenues.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON  
HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basic Financial Statements Fund Financial Statements (FFS)**

Fund financial statements are provided for governmental and fiduciary funds.

The Court reports the following fund types:

*Governmental Funds*

Governmental funds account for most of the Court's operating activities. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than net income. The following is a description of the major governmental funds of the Court:

The *Judicial Expense Fund* is the general operating fund of the entity, which accounts for all financial resources, except those required to be accounted for in other funds. Expenditures for salaries, wages, and benefits made by Jefferson Parish and the Louisiana Supreme Court on behalf of the Court are recorded in accordance with GASB Codification N50, *Non-exchange Transactions*. Federal funding related to Title IV-E, not allocated specifically to other funds, is also accounted for in this fund.

*Special revenue funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Court's Drug Court Expense Fund and Families in Need of Services (FINS) Assistance Program Fund are presented as major funds.

*Fiduciary Funds*

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The reporting focus is on net position. The funds accounted for in this category by the Court are the agency funds.

*Agency funds* account for assets held by the Court on behalf of others as their agent. Agency funds are custodial in nature, and do not involve measurement of results of operations. The Court's Support Enforcement Fund, Fees and Assessments Fund, and State Escrow Fund are the agency funds.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Accounting**

**Accrual**

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues of the Court consist principally of fines and fees for services relating to court filings, grant revenues, interest income, and intergovernmental support from Jefferson Parish Council and the Louisiana Supreme Court. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interest income is recorded when earned.

**Modified Accrual**

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Court considers revenues to be available if they are collected within sixty days of the end of the fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Other Financing Sources (Uses)**

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

When both restricted and unrestricted resources are available for use, it is the Court's policy to use restricted resources first, and then unrestricted resources as needed.

**Budgets**

The Court is required by state law to adopt an annual budget for its Judicial Expense Fund and its Special Revenue Funds. The budget is presented on the modified accrual basis of accounting that is consistent with generally accepted accounting principles. Budget amendments were made during the year due to significant changes to revenues received and expenditures incurred.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Budgets (continued)**

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. The Court prepares a budget for the next succeeding fiscal year beginning January first. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is presented at the November judges' meeting to obtain the judges' approval.
3. A budget adoption instrument accompanies the budget authorizing the implementation of the adopted budget.

The Judicial Expense Fund accounts for expenditures made on the Court's behalf by the Jefferson Parish Council and the Louisiana Supreme Court. These expenditures are budgeted by the Jefferson Parish Council and the Louisiana Supreme Court and expenditures are made at their discretion. During 2017, on behalf payments of \$4,077,741 are recorded in the financial statements of the Court.

Unexpended appropriations lapse at year-end. The Court does not utilize encumbrance accounting. Additional information on the original and final budgets can be found in the Budgetary Comparison Schedules included in the report.

**Cash and Cash Equivalents and Investments**

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

Investments are recorded in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Under state law, the Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, which approximates fair value. The Louisiana Asset Management Pool (LAMP) investment, which is an external investment pool administered by a non-profit corporation organized under State of Louisiana law, is reported at net asset value.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON  
HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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. Additions, improvements, and capital outlays that significantly extend the useful life of an asset are capitalized. The Court has a capitalization threshold of \$1,000. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are recorded in the Statement of Net Position and depreciation is recorded in the Statement of Activities and Changes in Net Position. Since surplus assets are sold for an immaterial amount or 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Building improvements	20 – 30 years
Land improvements – parking lots	20 years
Furniture and equipment	5 – 10 years
Computer equipment	5 years

**Accrued Annual and Sick Leave**

Individuals that perform services for the Court are employees of Jefferson Parish. Eligible employees of the Juvenile Court for the Parish of Jefferson accrue vacation leave at varying rates based on their years of continuous service. Employees hired before April 26, 1986, may carry forward a maximum of ninety unused vacation days from one year to the next. Employees hired after April 26, 1986, may carry forward a maximum of forty days.

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

All eligible employees' salaries are paid by the Jefferson Parish Council and except as described below, accruals relating to vacation leave are included in the financial statements of the Council. At December 31, 2017, included in accounts payable is \$11,673 for employee annual and sick leave for FINS that is the responsibility of the Court.

**Unearned revenue**

Unearned revenue consists of grant revenues not yet expended.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON  
HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Inflows of Resources**

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2017, the Court recognized \$124,514 as deferred inflows of resources.

**Fund Balance**

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance - amounts that cannot be spent either because they are in a non-spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. Committed Fund Balance - amounts constrained to specific purposes by a government itself, using its highest level of decision making authority by a vote of the Judges of the Court; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
4. Assigned Fund Balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as the Court and its management. The Court had no assigned fund balance as of December 31, 2017.
5. Unassigned Fund Balance - all amounts not included in other spendable classifications.

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Court has provided otherwise in its commitment or assignment actions.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Position**

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position is when there are limitations imposed on the use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the Court's policy to use restricted resources first, then unrestricted resources as they are needed.

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

**Interfund Transactions**

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

**Accounting 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2017, the Court has cash and cash equivalents as follows:

	<u>Governmental</u> <u>Funds</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Total</u>
Demand deposits	\$ 620,753	\$ 55,467	\$ 676,220
Cash on hand	600	-	600
Total	<u>\$ 621,353</u>	<u>\$ 55,467</u>	<u>\$ 676,820</u>

Under state law, these deposits (or the resulting bank balances) must be insured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it under state law. At December 31, 2017, the carrying amount of the Court's deposits was \$676,220 and the bank balances were \$683,754. The amounts were completely collateralized and/or insured by the FDIC at December 31, 2017.

**3. INVESTMENTS**

The \$1,636,150 of investments consist solely of funds held with LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

LAMP is a 2a7- like investment pool. The following facts are relevant for 2a7- like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. INVESTMENTS (continued)**

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7- like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

**4. CAPITAL ASSETS**

The following is a summary of changes in capital assets of governmental activities during the year:

	Balance at January 1, 2017	Transfers	Additions	Retirements	Balance at December 31, 2017
Office	\$ 576,066	\$ -	\$ 47,666	\$ (59,085)	\$ 564,647
Construction in progress	453,675	(453,675)	-	-	-
Building	1,761,077	453,675	520,224	(70,874)	2,664,102
Total	2,790,818	-	567,890	(129,959)	3,228,749
Accumulated depreciation	(1,267,941)	-	(104,786)	108,163	(1,264,564)
Capital assets, net	<u>\$ 1,522,877</u>	<u>\$ -</u>	<u>\$ 463,104</u>	<u>\$ (21,796)</u>	<u>\$ 1,964,185</u>

Depreciation expense for the twelve months ending December 31, 2017 totaled \$104,786.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS (continued)**

Following is a schedule of depreciation amounts charged to each function in the statement of activities:

Judicial Expense	\$ 103,903
Drug Court	<u>883</u>
	<u>\$ 104,786</u>

**5. EXPENSES OF THE COURT PAID BY OTHERS**

Salaries, wages, and related benefits of individuals working for the Court, along with insurance and miscellaneous expenditures, are paid by Jefferson Parish. The Judges of the Court receive compensation from the State of Louisiana Judicial Branch, at a rate determined by state statute. Payroll and related expenditures of \$4,077,741 were paid by Jefferson Parish and the State of Louisiana on behalf of the Court for the year ended December 31, 2017, and are included in the accompanying financial statements of the Judicial Expense Fund.

All eligible employees of Jefferson Parish working for the Court are members of the Parochial Employees' Retirement System of Louisiana, and the Employees' Retirement System of Jefferson Parish, Louisiana. All costs relating to pension contributions are paid by the Jefferson Parish Council; unless they are for grant employees then the Court must cover. Therefore, some such costs are not included in the accompanying financial statements, but are included in the financial statements of the Jefferson Parish Council.

**6. CHILD SUPPORT COURT COSTS**

The Court collects court costs under the provisions of the Louisiana Children's Code, specifically LSA-Ch. C. art 405D. Under the provisions of this statute, effective July 31, 1995, the Court assesses and collects court costs equal to 5% of all periodic child support payments paid through the registry of the Court. These payments are made by the paying parents in addition to their normal child support payment. Effective April 1, 2000, this statute was amended and requires all child support payments to be sent to one central collection address in the State. Court costs are remitted to the Court from the State once a month for payments made on their behalf. For the year ending December 31, 2017, the Court received \$1,333,161 from the State in Child Support court costs located on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds in the Judicial Expense Fund.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. ECONOMIC DEPENDENCY**

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

The Court receives federal and state grants to fund the Judicial Expense Fund and the Drug Court and FINS programs. Should the amount of these grants be substantially reduced or discontinued, the operations of these programs will be correspondingly reduced or eliminated.

For the year ended December 31, 2017, \$127,904 of the Court's grant revenues were from the U.S. Department of Health and Human Services.

**8. FUND BALANCE**

Non-Spendable Fund Balance – The non-spendable fund balance is made up of prepaid expenditures from Judicial Expense Fund, totaling \$40,551 that is not in spendable form.

Restricted Fund Balance – The restricted fund balance in the FINS Assistance Center fund is made up of grant funds restricted for the FINS Assistance Center. The restricted fund in the Drug Court fund is made of grant funds restricted for the drug court program.

Committed Fund Balance – The committed fund balance in the Judicial Expense Fund is made up of funds committed by the Court for courthouse improvements, technology upgrades, and leave payout.

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**

**HARVEY, LOUISIANA**

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**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - JUDICIAL EXPENSE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues:</b>				
Costs, fees and fines	\$ 1,760,562	\$ 1,704,562	\$ 1,349,927	\$ (354,635)
Grant revenue	170,000	170,000	127,904	(42,096)
Intergovernmental	3,609,512	3,609,512	3,587,224	(22,288)
Interest income	230	12,450	15,316	2,866
Total revenues	<u>5,540,304</u>	<u>5,496,524</u>	<u>5,080,371</u>	<u>(416,153)</u>
<b>Expenditures:</b>				
Current:				
Administrative	4,620,074	5,014,074	4,676,741	337,333
Capital outlay	750,000	300,000	567,890	(267,890)
Total expenditures	<u>5,370,074</u>	<u>5,314,074</u>	<u>5,244,631</u>	<u>69,443</u>
Excess (deficiency) of revenues over (under) expenditures	170,230	182,450	(164,260)	(346,710)
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	100,000	100,000
Operating transfers out	(76,100)	(113,220)	(211,155)	(97,935)
Total other financing sources (uses)	<u>(76,100)</u>	<u>(113,220)</u>	<u>(111,155)</u>	<u>2,065</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	94,130	69,230	(275,415)	<u>\$ (344,645)</u>
Fund balance, beginning of year	2,036,201	2,378,026	2,522,894	
Fund balance, end of year	<u>\$ 2,130,331</u>	<u>\$ 2,447,256</u>	<u>\$ 2,247,479</u>	

Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that on-behalf payments for judges' salaries (\$563,929) are not reflected above in revenues and expenses.

See accompanying independent auditors' report.

Schedule I

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DRUG COURT EXPENSE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Costs, fees, and fines	\$ 700	\$ 700	\$ -	\$ (700)
Grant revenues	167,200	139,415	132,383	(7,032)
Total revenues	<u>167,900</u>	<u>140,115</u>	<u>132,383</u>	<u>(7,732)</u>
Expenditures:				
Current:				
Program	190,400	202,115	192,846	9,269
Total expenditures	<u>190,400</u>	<u>202,115</u>	<u>192,846</u>	<u>9,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,500)</u>	<u>(62,000)</u>	<u>(60,463)</u>	<u>1,537</u>
Other financing sources (uses):				
Operating transfers in	22,500	62,000	60,379	(1,621)
Total other financing sources (uses)	<u>22,500</u>	<u>62,000</u>	<u>60,379</u>	<u>(1,621)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	-	-	(84)	<u>\$ (84)</u>
Fund balance, beginning of year	604	604	1,239	
Fund balance, end of year	<u>\$ 604</u>	<u>\$ 604</u>	<u>\$ 1,155</u>	

See accompanying independent auditors' report.

Schedule 2

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FINS ASSISTANCE CENTER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Grant revenues	\$ 112,092	\$ 112,092	\$ 112,092	\$ -
Intergovernmental	125,000	125,000	125,000	-
Total revenues	<u>237,092</u>	<u>237,092</u>	<u>237,092</u>	<u>-</u>
Expenditures:				
Current:				
Administrative	-	-	824	(824)
Program	290,692	288,312	287,856	456
Total expenditures	<u>290,692</u>	<u>288,312</u>	<u>288,680</u>	<u>(368)</u>
Excess (deficiency) of revenues under expenditures	<u>(53,600)</u>	<u>(51,220)</u>	<u>(51,588)</u>	<u>(368)</u>
Other financing sources (uses):				
Operating transfers in	53,600	51,220	50,776	(444)
Total other financing sources (uses)	<u>53,600</u>	<u>51,220</u>	<u>50,776</u>	<u>(444)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	-	-	(812)	<u>\$ (812)</u>
Fund balance, beginning of year	57,381	12,421	12,423	
Fund balance, end of year	<u>\$ 57,381</u>	<u>\$ 12,421</u>	<u>\$ 11,611</u>	

See accompanying independent auditors' report.

Schedule 3

**JUVENILE COURT FOR THE PARISH OF JEFFERSON**  
**HARVEY, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO THE AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Agency Head Name: Hon. Andrea Price Janzen, Judge, Section B

Purpose	Amount
Salary (Note 1)	\$ -
Benefits (Note 1)	-
Benefits-liability insurance	1,728
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	234
Travel	-
Registration fees	75
Conference travel	-
Continuing professional education fees	-
Unvouchered expenses	-
Special meals	-
	<u>\$ 2,037</u>

See accompanying independent auditors' report.

Schedule 4

**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 Judges of the Court  
Juvenile Court for the Parish of Jefferson  
Jefferson Parish, 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 Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Juvenile Court for the Parish of Jefferson (the Court), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued our report thereon dated June 15, 2018.

**Internal Control Over Financial Reporting**

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

*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 the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Court’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 15, 2018

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**JEFFERSON PARISH JUVENILE COURT**

**LOUISIANA LEGISLATIVE AUDITOR –**  
**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the  
Jefferson Parish Juvenile Court and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A, which were agreed to by the Jefferson Parish Juvenile Court and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Court's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

This report is intended solely for the use of management of the Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 15, 2018

**JEFFERSON PARISH JUVENILE COURT  
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The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues.

***Written Policies and Procedures***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*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.

*No exceptions noted.*

c) ***Disbursements***, including processing, reviewing, and approving

*No exceptions noted.*

d) ***Receipts***, including receiving, recording, and preparing deposits

*No exceptions noted.*

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*No exceptions noted. P&N notes that the requirement related to payroll processing is not applicable as payroll is processed by Jefferson Parish.*

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.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- i) ***Ethics***, including (1) the 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, annually attest through signature verification that they have read the entity's ethics policy.

*No exceptions noted.*

- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*P&N notes that this procedure is not applicable as the entity does not have debt and has no intentions of issuing debt.*

***Board (or Finance Committee, if applicable)***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report 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.

*No exceptions noted.*

- b) Report whether the minutes referenced are including monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis). If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*No exceptions noted.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*No exceptions noted.*

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***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*No exceptions were noted as a result of performing this procedure.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

*From the listing provided, P&N selected five accounts and obtained the bank reconciliations for each of the twelve months ending December 31, 2017, resulting in sixty bank reconciliations obtained and subjected to the below procedures.*

- a) Bank reconciliations have been prepared;

*No exceptions noted.*

- 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

*No exceptions noted.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*No exceptions noted.*

***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

*A listing of cash collection locations was provided and included a total of one cash collection location. No exceptions were noted as a result of performing this procedure.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

*From the listing provided, P&N selected the only location and performed the procedures noted below. No exceptions were noted as a result of performing this procedure.*

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- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*No exceptions noted.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*No exceptions noted.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

*Using the collection data, P&N determined the highest collection week during the year ending December 31, 2017 for the only collection location and performed the procedures noted below.*

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*No exceptions noted.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, etc.) by a person who is not responsible for collections.

*No exceptions noted.*

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

---

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

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*The listing of general ledger activity for all disbursements during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

*P&N selected 25 disbursements and performed the procedures below.*

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*None of the items tested included a requisition/purchase order because the entity's written policies and procedures do not require such documentation.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Of the 25 disbursements tested, there was no requisition/purchase order issued for 25 disbursements. However, it was noted that the invoice was approved by a person who did not initiate the transaction.*

- c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*Of the 25 disbursements tested, there was no requisition/purchase order or receiving report issued for 25 disbursements. However, it was noted that the invoice was approved by a person who did not initiate the transaction.*

**Management Responses:**

*JPJC currently does not have any type of requisition/ purchase order that is kept on file. The individual invoices are what gets approved by management.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*No exceptions noted.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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*No exceptions noted.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*Per inquiry and review of policies, the accounts use blank check stock. One person with signatory authority has system access to print checks.*

**Management Responses:**

*The check stock is locked in a file cabinet. The typical creators of checks do not have signature ability. One employee has the ability to sign checks and create checks if there is an emergency (hurricane repairs to restore building, etc.). This situation has never occurred; it is part of the Continuity of Operations Plan.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*Checks that have been signed are maintained under the control of the authorized signer or authorized user. The Court does not have a signature stamp nor does it utilize a signature machine.*

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

---

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*A listing of cards was provided and included a total of seventeen cards. No exceptions were noted as a result of performing this procedure.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and perform the procedures below.

*P&N selected ten credit cards and performed the procedures noted below.*

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

*No exceptions noted.*

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- b) Report whether finance charges and/or late fees were assessed on the selected statements.

*No exceptions noted.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 3 cards selected (i.e. each of the 3 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

*No exceptions noted.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*Noted one instance of a charge for \$54.86 that did not contain documentation of a business purpose.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*No exceptions noted.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*No exceptions noted.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Noted one instance of a charge for \$54.86 that did not contain documentation of a business purpose.*

**Management Responses:**

*Capital One MasterCard for June 2017 had a \$54.86 charge to Best Buy for a charger. There was no written documentation of a business purpose for this charger. Management did explain, after the fact, that the charger was purchased in order for an employee to keep his phone charged all day so he could take court calls while away on business.*

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***Travel and Expense Reimbursement***

---

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*A listing of general ledger activity for all travel and related expense reimbursements, by person, during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*No exceptions noted.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*No exceptions noted.*

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased.
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*No exceptions noted.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No exceptions noted.*

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- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

***Contracts***

---

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*A listing of general ledger activity for all in effect during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*No exceptions noted.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*One contract was subject to bid law and had the required documentation.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*Four of the five contracts selected for testing were not subject to bid law. In procurement of these contracts, the Court obtained a quote from the vendor.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*None of the 5 contracts selected for testing were amended. No exceptions noted.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

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*No exceptions were noted as a result of performing this procedure.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrson Act or Home Rule Charter).

*Policy does not require contracts be approved by the board.*

***Payroll and Personnel***

---

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

*A listing of employees was provided and included a total of 56 employees. A sample of five employees was selected and subjected the procedures below.*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*Of the five employees tested, three had variances ranging from \$45 to \$369 in amounts paid and contract amounts.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*No exceptions noted.*

**Management Responses:**

*The three individuals with variances between the amount that the employee was actually paid and the amount per the employee's contract ranged from \$45 - \$369. Management is not aware of why the differences exist because the Parish processes payroll.*

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted..*

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- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*No exceptions noted.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*No exceptions noted.*

***Ethics (excluding nonprofits)***

---

24. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*No exceptions noted.*

25. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*No ethics violations reported. No exceptions noted.*

***Other***

---

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No exceptions noted.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions noted.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

*No exceptions noted.*