

**FLORIDA PARISHES JUVENILE
JUSTICE DISTRICT**

Annual Financial Statements

June 30, 2018



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Independent Auditor's Report

To the Board of Commissioners
Florida Parishes Juvenile Justice District
Covington, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Florida Parishes Juvenile Justice District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District'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.

Auditor's 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Florida Parishes Juvenile Justice District as of June 30, 2018, 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.

Emphasis of a Matter

As described in Note 1 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. The adoption of GASB Statement No. 75 restated the governmental activities net position and adjusted the disclosures and required supplementary information. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, and the budgetary comparison information, the schedule of changes in the District's net OPEB liability and related ratios, the schedule of the District's proportionate share of net pension liability, and the schedule of the District's contributions on pages 42 through 45, 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 District's basic financial statements. The schedules of compensation paid to board members and compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (LRS) 24:513 A(3), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation paid to board members and compensation, benefits, and other payments to agency head are 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 December 21, 2018, on our consideration of the District'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 District's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
December 21, 2018

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT Management's Discussion and Analysis

For the Year Ended June 30, 2018

Introduction

The Florida Parishes Juvenile Justice District (the District) is pleased to present its financial statements. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts at a summary level, please read it in conjunction with the District's financial statements.

Factors Affecting the District's Operations and Finances

The District operates the Florida Parishes Juvenile Detention Center (FPJDC). The FPJDC is a secure placement for juveniles from within the 21st and 22nd Louisiana Judicial Districts (encompassing 5 parishes) requiring secure, residential detention. The FPJDC is situated on approximately 40 acres within a rural portion of Tangipahoa Parish [along State Highway 190 East]; 10 acres of which are developed with infrastructure that includes, but is not limited to, a private water well, sewer treatment plant, generators for back-up power, fire suppression tanks, multiple building structures, and yards with high fencing - topped with razor ribbon. It is the region's only juvenile detention center.

The FPJDC can house a maximum of 133 juvenile detainees and operates 24 hours a day/ 365 days a year; accepting intakes from law enforcement around the clock. There are 4 shifts of Juvenile Detention Staff, implementing the security operations of the FPJDC; averaging 13 staff per shift. Given that the FPJDC is remotely located, it does not have a public water or sewer; hence, establishing the need for its sewer treatment system and water well. The remote location of the FPJDC also dictates the need for back-up power; hence, generator power being critical. Additionally, safety and fire suppression are also key components of a secure facility operation. Therefore, an extensive fire suppression system is in place, along with various locking, lighting, and surveillance controls.

Regardless of the FPJDC's detainee population at any given time, the FPJDC must maintain a staff to detainee ratio promulgated by Louisiana Juvenile Detention Standards for licensure. Licensure is a requirement for operation, as well as being accredited and monitored by the Louisiana Department of Children and Family Services. Given the staffing of the FPJDC being proportional, the FPJDC has been able to operate with reduced staffing during periods of reduced detainee population. Historically, [for the past 5 fiscal years], the District has elected to roll the assessed millage rate backwards to a taxing rate of 2.75 mills; hence, accepting less than the allotted 3-mill taxing rate. This action sought to be appropriate during periods of operation that would generate excess revenue. Conversely, the District must also stand ready to accept the full authorized millage rate; in the event of detainee population increases, additional public safety and juvenile service ventures, and/or unforeseen circumstances (i.e., capital emergencies) that would promulgate such.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Financial Highlights

- At June 30, 2018, the District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$18,860,883 (net position). Of this amount, \$8,039,340 (unrestricted net position) may be used to meet the District's ongoing obligations.
- For the year ended June 30, 2018, the District's total net position increased by \$2,797,252.
- At June 30, 2018, the District's General Fund reported an ending fund balance of \$19,746,006, an increase of \$2,414,233 for the year.

Overview of the Annual Financial Report

The annual report consists of four parts: management's discussion and analysis, the financial statements, required supplemental information, and other supplemental information. The management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund statements that focus on individual parts of the District's government, reporting the District's operations in more detail than the government wide statements and providing a short-term financial picture. The governmental fund statements tell how general government services were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Finally, there is a section of required supplemental information that further explains and supports the information in the financial statements and additional supplementary information that the District presents for additional analysis.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Government -Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position presents information on the District's assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets plus deferred outflows and liabilities plus deferred inflows is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net 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*. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (e.g., court costs and grant revenue).

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its General Fund which also includes the court cost and tax revenue funds combined together. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Management's Discussion and Analysis**

For the Year Ended June 30, 2018

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 40 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position for the current year as compared to the prior year:

	Governmental Activities	
	2018	2017
Assets		
Current and Other Assets	\$ 20,080,752	\$ 17,622,374
Land	304,579	304,579
Capital Assets, Net	10,516,964	10,911,632
Total Assets	<u>30,902,295</u>	<u>28,838,585</u>
Deferred Outflows of Resources		
Total Assets and Deferred Outflows of Resources	<u>32,585,303</u>	<u>31,379,581</u>
Liabilities		
Current Liabilities	334,746	290,601
Long-Term Liabilities	12,480,444	13,478,782
Total Liabilities	<u>12,815,190</u>	<u>13,769,383</u>
Deferred Inflows of Resources		
Total Liabilities and Deferred Inflows of Resources	<u>13,724,420</u>	<u>14,578,577</u>
Net Position		
Net Investment in Capital Assets	10,821,543	11,216,211
Unrestricted	8,039,340	5,584,793
Total Net Position	<u>\$ 18,860,883</u>	<u>\$ 16,801,004</u>

Approximately 57% of the District's net position reflects its net investment in capital assets (land, construction in progress, buildings, equipment, and improvements, net of accumulated depreciation). There is no outstanding debt associated with the capital assets. The remaining 43% of the District's net position is unrestricted and may be used to meet the District's ongoing obligations.

Cash and cash equivalents comprise 65% of total assets, while capital assets comprise 35%.

Deferred outflows of resources and deferred inflows of resources are related to the pension liability and other postemployment benefit liability.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Management's Discussion and Analysis**

For the Year Ended June 30, 2018

Government-Wide Financial Analysis (Continued)

The District's long-term liabilities are comprised primarily, of its net pension liability representing its proportionate share of the Louisiana State Employees Retirement System's unfunded liability. That liability was \$10,597,732 and 12,478,804, at June 30, 2018 and 2017, respectively. The long-term liabilities also include amounts for unpaid leave, retiree health insurance, and postemployment benefits.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

	Governmental Activities	
	2018	2017
Revenues		
Program Revenues:		
Charges for Services	\$ 198,456	\$ 195,833
Intergovernmental	264,767	264,250
General Revenues:		
Ad Valorem Taxes	8,754,657	8,898,192
Court Costs	307,258	271,269
Interest and Other Revenue	459,739	668,474
Total Revenues	9,984,877	10,298,018
Expenses		
Public Safety	7,187,625	8,459,205
Total Expenses	7,187,625	8,459,205
Changes in Net Position	2,797,252	1,838,813
Net Position, Beginning (as Previously Reported)	16,801,004	14,962,191
Cumulative Effect of a Change in Accounting Principle	(737,373)	-
Net Position, Beginning (as Restated)	16,063,631	14,962,191
Net Position, Ending	\$ 18,860,883	\$ 16,801,004

Total revenues decreased by \$313,141, or approximately 3%, from the previous year.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT Management's Discussion and Analysis

For the Year Ended June 30, 2018

Government-Wide Financial Analysis (Continued)

Total expenses decreased by \$1,271,580, or 15%, from the previous year. The decrease in expenses was due to the change in the net pension liability and related deferred outflows and inflows for fiscal year 2018.

General Fund Budgetary Highlights

For the General Fund, actual revenues were \$227,077 more than the final budgeted amounts of \$9,757,800. Actual expenditures were \$68,476 less than the final budgeted amounts of \$7,639,120. These minimal variances demonstrate how the District operated within its budgetary constraints.

The budget was amended to include a decrease in total revenues of \$457,400 and a decrease in expenditures totaling \$796,712.

Significant variations from the General Fund's final budget amounts and actual amounts are as follows:

- Actual salaries and benefits were \$116,513 less than the final budget amounts.
- Actual operating supplies costs were \$45,649 less than the final budgeted amounts.
- Actual professional services costs were \$31,073 more than the final budgeted amounts.
- Actual capital outlay expenditures were \$50,564 more than the final budgeted amounts.

The District's budgets for fiscal 2018 were adopted in accordance with Louisiana law and were based upon projections of anticipated available fund balance to begin the year, projected revenues, and anticipated expenditures to carry out operations and for needed capital outlay. The budgets were amended from the original amounts as a clearer picture of how those revenue and expenditure amounts would actually materialize evolved. Property taxes were higher than anticipated, while court costs and fees for service were lower. The budget for salaries and benefit expenditures was lowered due to several positions not being filled. The budget for capital outlay was reduced as well.

Capital Assets

The District's investment in capital assets as of June 30, 2018, was \$10,821,543 (net of accumulated depreciation). This net investment in capital assets includes land, buildings and improvements, and equipment. The accumulated depreciation was \$7,675,252 with the cost of capital assets being \$18,496,795, as of June 30, 2018. The District has no debt outstanding associated with these capital assets.

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Management's Discussion and Analysis**

For the Year Ended June 30, 2018

Long-Term Debt

The District's long-term debt consists of its other postemployment benefits liabilities, net pension liability, and accrued vacation payable. The District had \$1,717,023 in other postemployment benefits payable at year-end compared to \$827,122 at the previous year end, an increase of \$889,901. Of this increase, \$737,373 is related to a restatement to prior period net position due to a change in accounting principle. Accrued vacation liability decreased by 4% compared to the prior year. The net pension liability decreased \$1,881,072, primarily as a result of the pension plan's changes in proportions and the difference between employer contributions and proportionate share of contributions. See more information regarding the net pension liability in Note 6.

Long-Term Debt at Year-End

	2018	2017
Other Postemployment Benefits Obligation	\$ 1,717,023	\$ 827,122
Net Pension Liability	10,597,732	12,478,804
Accrued Vacation Liability	165,689	172,856
Total	\$ 12,480,444	\$ 13,478,782

Economic Factors and Next Year's Budget

The District is dependent on ad valorem taxes for 88% of its revenues. For the 2019 fiscal year (and calendar 2018), the Board levied 2.75 mills which is consistent with the millage levied in recent years. Revenues relating to property taxes are expected to increase modestly due to new properties entering the tax rolls and a return to pre-disaster assessment levels as a result of recovery from the 2016 floods. Expenses are expected to be consistent with the amounts from fiscal year 2018.

Request for Information

This financial report is designed to provide our citizens and creditors with a general overview of the District's finances and reveal the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to David Duke, Post Office Box 1179, Bogalusa, Louisiana 70429.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 19,915,563
Receivables	74,079
Prepaid Expenses	91,110
Capital Assets Not Being Depreciated	304,579
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>10,516,964</u>
Total Assets	<u>30,902,295</u>
Deferred Outflows of Resources	
OPEB Related	166,377
Pension Related	<u>1,516,631</u>
Total Deferred Outflows of Resources	<u>1,683,008</u>
Liabilities	
Accounts Payable	101,009
Accrued Expenses	113,922
Accrued Salaries Payable	119,815
Accrued Vacation Payable	165,689
Net Pension Liability	10,597,732
Other Postemployment Benefits	<u>1,717,023</u>
Total Liabilities	<u>12,815,190</u>
Deferred Outflows of Resources	
OPEB Related	108,955
Pension Related	<u>800,275</u>
Total Deferred Inflows of Resources	<u>909,230</u>
Net Position	
Net Investment in Capital Assets	10,821,543
Unrestricted	<u>8,039,340</u>
Total Net Position	<u><u>\$ 18,860,883</u></u>

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Statement of Activities
For the Year Ended June 30, 2018

Functional Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
Governmental Activities				
Public Safety	\$ 7,187,625	\$ 198,456	\$ 264,767	\$ (6,724,402)
Total Governmental Activities	<u>\$ 7,187,625</u>	<u>\$ 198,456</u>	<u>\$ 264,767</u>	<u>(6,724,402)</u>
General Revenues				
Ad Valorem Taxes				8,754,657
Court Costs				307,258
Interest				282,959
Other				<u>176,780</u>
Total General Revenues				<u>9,521,654</u>
Change in Net Position				2,797,252
Net Position, Beginning of Year (as Previously Reported)				16,801,004
Cummulative Effect of a Change in Accounting Principle				<u>(737,373)</u>
Net Position, Beginning (As Restated)				<u>16,063,631</u>
Net Position, End of Year				<u>\$ 18,860,883</u>

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS**

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Balance Sheet
Governmental Fund
June 30, 2018

	General Fund
Assets	
Cash and Cash Equivalents	\$ 19,915,563
Receivables	74,079
Prepaid Expenses	<u>91,110</u>
Total Assets	<u><u>\$ 20,080,752</u></u>
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 101,009
Accrued Expenses	113,922
Accrued Salaries Payable	<u>119,815</u>
Total Liabilities	<u>334,746</u>
Fund Balances	
Nonspendable	91,110
Unassigned	<u>19,654,896</u>
Total Fund Balances	<u>19,746,006</u>
Total Liabilities and Fund Balances	<u><u>\$ 20,080,752</u></u>

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2018

Fund Balances - Governmental Fund	\$ 19,746,006
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Amounts reported for governmental activities in the statement of net position are different because:

Deferred outflow amounts related to pension liability

Postemployment Benefits Liability	\$ 166,377	
Pension Liability	<u>1,516,631</u>	1,683,008

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,821,543
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued Vacation Payable	(165,689)	
Net Pension Liability	(10,597,732)	
Postemployment Healthcare Benefit Payable	<u>(1,717,023)</u>	(12,480,444)

Deferred inflow amounts related to

Postemployment Benefits Liability	(108,955)	
Pension Liability	<u>(800,275)</u>	(909,230)

Net Position of Governmental Activities	<u><u>\$ 18,860,883</u></u>
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The accompanying notes are an integral part of these financial statements.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2018

	General Fund
Revenues	
Ad Valorem Taxes	\$ 8,754,657
Court Costs	307,258
Fees for Services	198,456
Intergovernmental Revenues	264,767
Interest	282,959
Other	<u>176,780</u>
Total Revenues	<u>9,984,877</u>
Expenditures	
Public Safety	
Salaries and Benefits	5,492,667
Travel and Training	31,487
Operating Services	441,951
Operating Supplies	438,452
Professional Services	897,523
Capital Outlay	<u>268,564</u>
Total Expenditures	<u>7,570,644</u>
Net Change in Fund Balance	2,414,233
Fund Balance, Beginning of Year	<u>17,331,773</u>
Fund Balance, End of Year	<u>\$ 19,746,006</u>

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balance - Total Governmental Fund	\$ 2,414,233
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(394,668)
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GASB 68 requires a prescribed method of pension expense recognition within the District's government-wide financial statements.	865,626
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GASB 75 requires a prescribed method of OPEB expense recognition within the District's government-wide financial statements.	(95,106)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>7,167</u>
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Change in Net Position of Governmental Activities	<u>\$ 2,797,252</u>
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The accompanying notes are an integral part of these financial statements.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Introduction

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

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

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

The District presently owns and operates the Florida Parishes Juvenile Detention Center, a 133-bed secure detention facility housing juveniles. Management and operation of the detention center is performed by an executive director and 70 plus employees. Funding for the District is provided by: (1) court costs levied on all felony and misdemeanor prosecutions, including traffic offenses by any court in the District, (2) charges for services provided by the detention center, (3) grants from the Department of Corrections, State of Louisiana, and (4) ad valorem taxes.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

Financial Reporting Entity

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

The criteria for including organizations as component units within the District's reporting entity, is set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

Based on the application of the above criteria, it was determined the Florida Parishes Juvenile Justice District has no potential component units. As a result, this report includes only funds and account groups which are controlled by or dependent on the District. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. Additionally, in application of these criteria, it was determined that the District is not a component unit of any other government.

Fund Accounting

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

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies. The funds focus on the sources, uses, and balances of current financial resources. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance programs and operations of the District in the near-term. The following is the District's governmental fund (and major fund):

General Fund - The general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

Measurement Focus/Basis of Accounting

The statement of net position and the statement of activities display information about the reporting government as a whole. These statements include all the financial activities of the Florida Parishes Juvenile Justice District. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of the GASB's Codification of Governmental Accounting and Financial Reporting Standards.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Measurement Focus/Basis of Accounting (Continued)

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

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

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major fund of the District is the General Fund.

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

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

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

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

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Measurement Focus/Basis of Accounting (Continued)

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. 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 pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which are recognized when payment is due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used, regardless of the timing of related cash flows. Ad valorem taxes and state revenue sharing associated with the current fiscal period are all considered to be susceptible to accrual and, so, have been recognized as revenues of the current fiscal period.

Budgets and Budgetary Accounting

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

1. The District must adopt a budget each year for the General Fund and each special revenue fund, if applicable.
2. Management works with the District's accountant to prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed budget was submitted to the Board of Commissioners on May 10, 2017. Upon acceptance by the Board, the proposed budget was published in the official journal in each parish in which the District has jurisdiction.
3. A public hearing on the proposed budget must be held at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget on June 14, 2017.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Budgets and Budgetary Accounting (Continued)

4. After the public hearing, the budget is adopted by ordinance. All action necessary to adopt and implement the budget must be completed prior to the end of the fiscal year in progress. The budget was adopted on June 14, 2017.
5. The District must certify completion of all actions required to adopt and implement the budget by publishing a notice in the official journal in each parish in which the District has jurisdiction.
6. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
7. All budgetary appropriations lapse at the end of each fiscal year.

Cash and Cash Equivalents and Investments

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

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value. At December 31, 2018, the District has no investments.

Receivables

Receivables consist of intergovernmental receivables related to due from other governments for reimbursement of expenditures and various tax revenues due at year-end.

Prepaid Expenses

Prepaid expenses are accounted for using the consumption method or properly divided over the periods in which the services are provided.

Capital Assets

All capital assets of the District are recorded at historical cost in the government-wide and proprietary fund financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations. In the governmental fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District capitalizes equipment and furniture in excess of \$1,000. Useful lives vary from 15 to 40 years for building and improvements, and 5 to 20 years for equipment.

Depreciation expense for the year ended December 31, 2018, amounted to \$663,232 for the governmental activities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for a deferred outflow of resources related to the net pension liability and the net other postemployment (OPEB) liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for a deferred inflow of resources related to the net pension liability and the net OPEB liability.

Compensated Absences

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

Years of Servi	Accrued Annual Leave Per Year
0 - 3 Years	96 Hours
3 - 5 Years	120 Hours
6+ Years	126 Hours
7+ Years	132 Hours
8+ Years	138 Hours
9+ Years	144 Hours
Over 10 Years	160 Hours

Sick leave is granted at the rate of 12 days per year. Annual and sick leave may be accumulated if not used. Accumulated and unused annual leave is paid upon an employee's separation of service up to 240 hours. Accumulated unused sick leave may also be paid upon retirement up to 240 hours. However, absent retirement, unused accumulated sick leave is not paid upon separation of service. As of June 30, 2018, an accrued leave liability of \$165,689 is recorded in the government-wide financial statements, all of which is considered to be long-term.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications

In the government-wide financial statements, net position is displayed in the following three components:

1. Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
2. Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted - All other net position is reported in this category.

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

1. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. Restricted Fund Balance - Amounts that can be spent only for specific purposes because of enabling legislation or externally imposed conditions by grantors, creditors, or citizens.
3. Committed - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority which includes the resolutions of the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.
4. Assigned - This component consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the District's Board.
5. Unassigned Fund Balance - All amounts not included in other spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position/fund balance first.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Estimates

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

Adoption of New Accounting Principles

For the year ended June 30, 2018, the following statements were implemented:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, improves the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees - both active and inactive - are provided with postemployment benefits other than pensions. As a result of the implementation of this Statement, governmental activities beginning net position was restated with a decrease of \$737,373. In addition, disclosures and required supplementary information was adjusted.

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and applicable of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, fair value measurement and application, and postemployment benefits (pensions and OPEB). This implementation did not significantly impact the financial statements or related notes.

Note 2. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2018, consisted of demand deposits with a carrying value of \$19,915,563 and a bank balance of \$19,983,148. These deposits are stated at cost which approximates market.

Custodial Credit Risk - Deposits

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

At December 31, 2018, the District had \$19,983,148 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 in federal deposit insurance per institution and the remaining amount was insured by pledged securities held by the custodial bank in the name of the fiscal agent bank.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 3. Receivables

The following is a summary of receivables at June 30, 2018:

Intergovernmental:

Louisiana Department of Education	\$	13,454
Department of Corrections		9,884
Court Costs, Various Courts		15,120
Ad Valorem		<u>35,621</u>
		74,079
Less: Allowance for Uncollectible		<u>-</u>
Total Receivable, Net	\$	<u>74,079</u>

Management considers all receivables at June 30, 2018 to be fully collectible.

Note 4. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when levied for the year budgeted. The taxes are generally levied in June or July of each year. The Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish, and St. Tammany Parish Sheriff's Offices bill and collect the property tax using the assessed value determined by the Tax Assessors of Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish, and St. Tammany Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. The District has an authorized millage of 3.00 mills which expires in 2026. For 2017, the District levied 2.75 mills for a tax levy of \$9,200,333 on taxable property.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2018, is as follows:

Governmental Activities	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 304,579	\$ -	\$ -	\$ 304,579
Total Capital Assets Not Being Depreciated	304,579	-	-	304,579
Capital Assets Being Depreciated				
Buildings and Improvements	16,239,390	102,920	-	16,342,310
Equipment	1,705,928	165,644	(21,666)	1,849,906
Total Capital Assets Being Depreciated	17,945,318	268,564	(21,666)	18,192,216
Less Accumulated Depreciation for:				
Buildings and Improvements	(5,656,242)	(544,790)	-	(6,201,032)
Equipment and Vehicles	(1,377,444)	(118,442)	21,666	(1,474,220)
Total Accumulated Depreciation	(7,033,686)	(663,232)	21,666	(7,675,252)
Total Capital Assets Being Depreciated - Net	10,911,632	(394,668)	-	10,516,964
Capital Assets - Net	\$ 11,216,211	\$ (394,668)	\$ -	\$ 10,821,543

Note 6. Pension Plan

All employees of the Florida Parishes Juvenile Justice District participate in the Louisiana State Employees' Retirement System. The Louisiana State Employees' Retirement System (LASERS or the System) is an agency of the State of Louisiana established under the provisions of Title 11, Section 401 of the Louisiana Revised Statutes of 1950, as amended (the Statutes). LASERS is a cost sharing, multiple-employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of the State and its various departments and agencies and their beneficiaries. LASERS is supervised by an eleven-member Board of Trustees and is funded through employee and employer contributions and investment earnings.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained at www.lasersonline.org.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Benefits Provided

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor benefits.

Normal Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. Their rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing 5 years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing 5 years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after 5 years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Benefits Provided (Continued)

Normal Retirement (Continued)

Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan members, a 3.33% accrual rate, and judges, a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the District's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the District's realized return on its portfolio (not to be less than zero). Those members who selected the IBO on or after January 1, 2004, are required to enter the SDP as described above.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Benefits Provided (Continued)

Disability Benefits

Generally, active members with 10 or more years of creditable service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disabled retiree may receive a regular retirement benefit by making application to the Board of Trustees.

Survivor Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of 5 years of service credit, at least 2 of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011 must have a minimum of 5 years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost-of-Living Adjustments

LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the District is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2018, was 37.9% of annual covered payroll. The District's contributions paid to LASERS for the year ended June 30, 2018, were \$1,130,145.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the District's proportionate share of the Net Pension Liability allocated by the pension plan based on the June 30, 2017 measurement date. The District uses this measurement date to record its Net Pension Liability and associated amounts as of June 30, 2018, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2017 along with the change compared to the June 30, 2017 rate. The District's proportion of the Net Pension Liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2017	Rate at June 30, 2017	Increase (Decrease) on June 30, 2016 Rate
LASERS	\$ 10,597,732	0.15056%	(0.00835%)

For the year ended June 30, 2018, the District recognized net pension expense of \$264,519.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 194,456
Changes of Assumptions	41,868	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	344,618	-
Changes in Proportions and Differences between Employer Contributions and Proportionate Share of Contributions	-	605,819
Employer Contributions Subsequent to the Measurement Date	1,130,145	-
Total	\$ 1,516,631	\$ 800,275

The District reported a total of \$1,130,145 as a deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2019.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2019	\$ (455,129)
2020	116,788
2021	137,910
2022	(213,358)

Actuarial Assumptions

A summary of actuarial methods and assumptions used in determining the total pension liability for the pension plan as of June 30, 2017 are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 Years
Investment Rate of Return	7.700%
Inflation Rate	2.750%
Projected Salary Increases	experience study, ranging from 3.4% to 14.3%
Cost-of-Living Adjustments	None
Mortality	RP-2000 Combined Healthy Mortality Table
Disability	RP-2000 Disabled Retiree Mortality Table Based on a 2009-2013
Termination	experience study of the plan's members

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Actuarial Assumptions (Continued)

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	-0.24%
Domestic Equity	18.00%	4.31%
International Equity	22.00%	5.35%
Domestic Fixed Income	7.00%	1.73%
International Fixed Income	10.00%	2.49%
Alternative Investments	31.00%	7.41%
Global Tactical Asset Allocation	12.00%	2.84%
Total	100.00%	

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for LASERS was 7.70% for the year ended June 30, 2017 which is a decrease of 0.06% since the prior measurement date of June 30, 2016.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the Net Pension Liability (NPL) using the discount rate of the Retirement System as well as what the District's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the System:

	1.0 % Decrease (6.70%)	Current Discount (7.70%)	1.0% Increase (8.70%)
District's Proportionate Share of LASERS Net Pension Liability	\$ 13,304,251	\$ 10,597,732	\$ 8,296,550

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 7. Other Postemployment Benefits (OPEB)

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net positions is available in the separately issued 2017 Comprehensive Annual Financial Reports at www.lasersonline.org.

General Information about the OPEB Plan

Plan Description - The Florida Parishes Juvenile Justice District provides certain continuing health care and life insurance benefits for its retired employees. The Florida Parishes Juvenile Justice District's OPEB Plan (the OPEB Plan) is a single-employer, defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees, and retirees' rests with the District. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52, *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided - Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. Life insurance is not provided for retirees. The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana State Employees' Retirement System whose retirement eligibility (DROP entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or age 60 and 10 years of service.

Employees covered by Benefit Terms - At June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	2
Inactive Employees Entitled to but not Yet Receiving Benefit Payments	-
Active employees	<u>74</u>
Total	<u><u>76</u></u>

Total OPEB Liability

The District's total OPEB liability of \$1,717,023 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 7. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	3.0%, including inflation
Prior Discount Rate	3.58% annually
Discount Rate	3.87% annually
Healthcare Cost Trend Rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at July 1, 2017	\$ 1,564,495
Changes for the Year:	
Service Cost	37,269
Interest	57,343
Differences between Expected and Actual Experience	173,611
Changes in Assumptions	(113,692)
Benefit Payments and Net Transfers	(2,003)
Net Changes	<u>152,528</u>
Balance at June 30, 2018	<u>\$ 1,717,023</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.87%) or one percentage-point higher (4.87%) than the current discount rate:

	1.0 % Decrease (2.87%)	Current Discount (3.87%)	1.0% Increase (4.87%)
Total OPEB Liability	<u>\$ 2,235,703</u>	<u>\$ 1,717,023</u>	<u>\$ 1,338,309</u>

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 7. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates -
 The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower (4.5%) or one percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0 % Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 1,339,861	\$ 1,717,023	\$ 2,226,090

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$97,109. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 166,377	\$ -
Changes in Assumptions	-	108,955
Total	\$ 166,377	\$ 108,955

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	Amount
2019	\$ 2,497
2020	2,497
2021	2,497
2022	2,497
2023	2,497
Thereafter	44,937

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Notes to Financial Statements

Note 8. Recently Issued Accounting Principles

As of June 30, 2018, The Governmental Accounting Standards Board has issued several statements not yet implemented by the District. The statements which might impact the District are as follows:

Statement No 83 of the Governmental Accounting Standards Board

Certain Asset Retirement Obligations

The objective of this Statement is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 87 of the Governmental Accounting Standards Board

Leases

The objective of this Statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Management is still evaluating the potential impact of adoption on the District's financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Year Ended June 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Revenues				
Ad Valorem Taxes	\$ 8,400,000	\$ 8,600,000	\$ 8,754,657	\$ 154,657
Court Costs	330,000	330,000	307,258	(22,742)
Fees for Services	1,182,000	218,400	198,456	(19,944)
Intergovernmental Revenues	145,000	175,000	264,767	89,767
Interest	158,200	263,000	282,959	19,959
Other	-	171,400	176,780	5,380
Total Revenues	10,215,200	9,757,800	9,984,877	227,077
Expenditures				
Public Safety				
Salaries and Benefits	6,424,752	5,609,180	5,492,667	116,513
Travel and Training	28,800	32,600	31,487	1,113
Operating Services	486,540	487,600	441,951	45,649
Operating Supplies	442,540	425,290	438,452	(13,162)
Professional Services	747,700	866,450	897,523	(31,073)
Capital Outlay	305,500	218,000	268,564	(50,564)
Total Expenditures	8,435,832	7,639,120	7,570,644	68,476
Excess of Revenues				
Over Expenditures	1,779,368	2,118,680	2,414,233	295,553
Net Change in Fund Balance	\$ 1,779,368	\$ 2,118,680	2,414,233	\$ 158,601
Fund Balance, Beginning of Year			17,331,773	
Fund Balance, End of Year			\$ 19,746,006	

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Schedule of Changes in the District's
Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

Total OPEB Liability	
Service Cost	\$ 37,269
Interest	57,343
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	173,611
Changes of Assumptions	(113,692)
Benefit Payments	(2,003)
Net Change in Total OPEB Liability	<u>152,528</u>
Total OPEB Liability - Beginning	<u>1,564,495</u>
Total OPEB Liability - Ending	<u>\$ 1,717,023</u>
Covered-Employee Payroll	\$ 3,043,999
Net OPEB Liability as a Percentage of Covered-Employee Payroll	56.41%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2018.

Changes of Assumptions. The discount rate as of June 30, 2017 was 3.58% and it changed to 3.87% as of June 30, 2018.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Schedule of the District's Proportionate Share
of Net Pension Liability

Louisiana State Employees' Retirement System	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	0.1505%	0.1589%	0.1685%	0.1772%
Employer's Proportionate Share of the Net Pension Liability	\$ 10,597,732	\$ 12,478,804	\$ 11,461,020	\$ 11,080,499
Employer's Covered Employee Payroll	\$ 2,736,070	\$ 2,980,464	\$ 3,102,980	\$ 3,080,548
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	387.33%	418.69%	369.36%	359.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.50%	57.70%	62.70%	65.00%

* The amounts presented have a measurement date of the previous fiscal year-end.

** GASB 68 requires this schedule to show information for 10 years. The District has implemented GASB 68 in its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Schedule of the District's Contributions

Louisiana State Employees' Retirement System	2018	2017	2016	2015
Contractually Required Contributions	\$ 1,130,145	\$ 979,513	\$ 1,108,732	\$ 1,148,102
Contributions in Relation to Contractually Required Contributions	1,130,145	979,513	1,108,732	1,148,102
Contribution Deficiency (Excess)	-	-	-	-
Employer's Covered-Employee Payroll	\$ 3,173,942	\$ 2,736,070	\$ 2,980,464	\$ 3,102,980
Contributions as a % of Covered-Employee Payroll	37.90%	35.80%	37.20%	37.00%

* The amounts presented have a measurement date of the previous fiscal year-end.

** GASB 68 requires this schedule to show information for 10 years. The District has implemented GASB 68 in its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

**FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
 Schedule of Compensation Paid to Board Members
 For the Year Ended June 30, 2018**

Board Member	Title	Term	Compensation	Travel Allowance
David Merlin Duke	President	President	\$ -	\$ -
Bo Coxen	Vice-President	Vice-President	-	-
Michael B Forbes	Secretary	Secretary	-	-
Erica D Williams	Commissioner	Commissioner	-	219
Alton B Lewis	Commissioner	Commissioner	-	-
Mark Manda	Commissioner	Commissioner	-	-
Peter Frey	Commissioner	Commissioner	-	-
Katherine Wilken	Commissioner	Commissioner	-	-

See independent auditor's report.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2018

Agency Head

Joseph Dominick, Executive Director

Purpose	Amount
Salary and Wages	\$121,616
Retirement Plan Contribution - Employer	\$46,093
Health and Other Benefits - Employer	\$16,472
Life Insurance - Company	\$778
Dues and Subscription	\$750

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Commissioners
Florida Parishes Juvenile Justice District
Covington, Louisiana

We have audited, 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, the financial statements of the governmental activities and the major fund of Florida Parishes Juvenile Justice District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA
December 21, 2018

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Schedule of Findings and Responses
For the Year Ended June 30, 2018

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None reported |
| c. Noncompliance material to the financial statements? | No |
| d. Other matter identified? | No |
| 3. Management letter comment provided? | No |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

None.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

None.

AGREED-UPON PROCEDURES REPORT
Florida Parishes Juvenile Justice District

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period of July 1, 2017 - June 30, 2018

To the Board of Commissioners
Florida Parishes Juvenile Justice District
and the Louisiana Legislative Auditor
Covington, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Florida Parishes Juvenile Justice District (the District) 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 year July 1, 2017 through June 30, 2018. The District's management is responsible for those C/C areas identified in the SAUPs.

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 below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: Obtained the written policies and procedures listed in a) through j) above and observed that each addressed the listed elements.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

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

Results: Obtained the board minutes for the fiscal year and observed that monthly meetings were held from July 2017 through June 2018, with the exception of February 2018 due to lack of quorum. The minutes referenced monthly budget-to-actual comparisons for the General Fund.

There was no negative ending unrestricted fund balance in the prior year audit report.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Obtained a listing of bank accounts for the fiscal year from management and management's representation that the list is complete. Observed that the items in a) through c) above were satisfied without exception.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: Obtained a listing of deposit sites for the fiscal year from management and management's representation that the list is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: Obtained a listing of collection locations from management and management's representation that the list is complete. Observed that the items in a) through d) above were satisfied without exception.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: Management reported that employees who have access to cash are covered by an insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: Obtained the supporting documentation for each of the 10 deposits selected and observed that items a) through e) above were satisfied without exception, except for 2 deposits which were deposited in excess of the one-week criteria listed in item d) above.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: Obtained the list of locations that process payments for the fiscal year and management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: For the location selected, obtained the list of employees involved with non-payroll purchasing and payment functions, along with the written policies and procedures relating to employee job duties. Observed that the items in a) through d) above were satisfied without exception.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: For the location selected, obtained the non-payroll disbursement transaction population and management's representation that the population is complete. For the randomly selected sample, obtained the supporting documentation for each transaction and observed that items a) and b) above were satisfied without exception.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

Results: Obtained the list of all active cards for the fiscal year and management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: For the 5 randomly selected cards and monthly statements, obtained the supporting documentation and observed items a) and b) above were satisfied without exception.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: For the randomly selected transactions from each statement, obtained the supporting documentation and observed that each was supported by items (1) through (3) above (where applicable) without exception.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Obtained the list of all travel and travel-related expense reimbursements during the fiscal year and management's representation that the listing is complete. For each of the 5 reimbursements selected, obtained the supporting documentation and observed items a) through d) were satisfied without exception.

Payroll and Personnel

15. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: Obtained the list of employees employed during the fiscal year and management's representation that the listing is complete. For the 5 employees selected, agreed the paid salaries to authorized salaries/pay rates in the personnel files without exception.

16. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that 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.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: For the 5 employees selected, obtained the supporting documentation and observed that items a) through c) above were satisfied without exception.

17. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: Obtained the listing of employees that received termination payments during the fiscal year and management's representation that the list is complete. For the two payments selected, agreed the payment calculation to the supporting documentation.

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

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

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*. We were not engaged to perform, and did not perform, an examination or review, the objective of which would be the expression of an opinion or conclusion. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The report is intended solely for the use of management of Florida Parishes Juvenile Justice District 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 intended purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



A Professional Accounting Corporation

Covington, LA
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