

Financial Report

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

June 30, 2020

Financial Report

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

June 30, 2020

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PRINCIPAL OFFICIALS

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

June 30, 2020

Commission Members

Ray Bernard

Cherie Bright

Brooks Wallace

Craig Stanga

Damon Stentz

Suzanne Howell

Dwayne Rebstock

Office

President

Secretary-Treasurer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission, State of Louisiana (the "Commission"), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 opinion.

Opinion

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 General Fund of Lafourche Parish Juvenile Justice Commission as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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 response 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 an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary information included in Schedule 1 on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the 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 September 14, 2020 on our consideration of the Commission's internal control over financial reporting and 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 the 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 Commission's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
September 14, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

June 30, 2020

The Management's Discussion and Analysis of the Lafourche Parish Juvenile Justice Commission's (the "Commission") financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities as of June 30, 2020 by \$2,456,826 (net position), which represents a 14.22% decrease from June 30, 2019.

The Commission's revenue increased \$111,082 (or 2.91%) primarily due to a increase in property taxes, state revenue sharing, and miscellaneous revenue.

The Commission's expenses increased \$96,681 (or 2.28%) primarily as a result of increases in expenses related to personal services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's financial statements consist of three parts: (1) management's discussion and analysis (this section) (2) basic financial statements and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Commission:

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Commission's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. The Statement of Activities presents information showing how the Commission's net position changed during each 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 will only result in cash flows in future fiscal periods.

The governmental activity of the Commission is public safety which is comprised of various programs that include Group Home Units which serve as a long-term treatment program for abused and neglected youths and a Detention Unit which provides secure custody ordered by the courts for troubled youth.

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 Commission maintains one type of fund, governmental.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Governmental Funds (Continued)**

The Commission maintains one governmental fund. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 12 through 16 of this report.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. As of June 30, 2020, assets exceeded liabilities and deferred inflows of resources by \$2,456,826. A large portion of the Commission's net position (57.29%) reflects its investment in capital assets (buildings, furniture, fixtures, and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	June 30,		Dollar
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$2,931,483	\$3,188,814	\$(257,331)
Capital assets	<u>1,407,572</u>	<u>1,523,742</u>	<u>(116,170)</u>
Total assets	<u>4,339,055</u>	<u>4,712,556</u>	<u>(373,501)</u>
Current liabilities	166,369	141,664	24,705
Long-term liabilities	203,471	200,340	3,131
Deferred inflows of resources	<u>1,512,389</u>	<u>1,506,392</u>	<u>5,997</u>
Total liabilities and deferred inflows of resources	<u>1,882,229</u>	<u>1,848,396</u>	<u>33,833</u>
Net position:			
Net investment in capital assets	1,407,572	1,523,742	(116,170)
Unrestricted	<u>1,049,254</u>	<u>1,340,418</u>	<u>(291,164)</u>
Total net position	<u>\$2,456,826</u>	<u>\$2,864,160</u>	<u>\$(407,334)</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities decreased the Commission's net position by \$407,334. Key elements of this decrease are as follows:

Condensed Changes in Net Position

	June 30,		Dollar Change	Total Percent Change
	2020	2019		
Revenues:				
Ad valorem taxes	\$3,094,013	\$3,078,831	\$ 15,182	0.49%
Intergovernmental	25,494	25,481	13	0.05%
Charges for services	641,750	639,399	2,351	0.37%
Miscellaneous	162,887	69,351	93,536	134.87%
Total revenues	<u>3,924,144</u>	<u>3,813,062</u>	<u>111,082</u>	2.91%
Expenses:				
General government	157,915	150,344	7,571	5.04%
Public safety	4,173,563	4,084,453	89,110	2.18%
Total expenses	<u>4,331,478</u>	<u>4,234,797</u>	<u>96,681</u>	2.28%
Change in net position	(407,334)	(421,735)	14,401	-3.41%
Net position beginning of year	2,864,160	3,285,895	(421,735)	-12.83%
Net position end of year	<u>\$2,456,826</u>	<u>\$2,864,160</u>	<u>\$(407,334)</u>	-14.22%

The increase in total revenues is due to an increase in miscellaneous revenue of \$93,536. The increase in total expenses is a result of the increase in expense related to personal services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2020, the Commission's governmental fund reported ending fund balance of \$1,252,725, a decrease of \$288,033 in comparison to the prior year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to more accurately reflect estimated revenues and expenses. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Increase tax revenue to reflect actual revenue earned.
- Increased State of Louisiana revenues to reflect actual receipts.
- Increased interest and other revenues to reflect actual miscellaneous revenue earned.

Expenditures

- Increased personal services to better reflect personal services expense.
- Decrease operating services to reflect actual expense.

During the year, actual revenues exceeded the budgetary estimates, while actual expenditures were less than budgeted amounts.

CAPITAL ASSETS

Capital Assets

The Commission's investment in capital assets for its governmental activities, net of accumulated depreciation, as of June 30, 2020 is as follows:

	<u>2020</u>	<u>2019</u>
Buildings	\$ 1,184,959	\$ 1,272,201
Furniture, fixtures, and equipment	<u>222,613</u>	<u>251,541</u>
Totals	<u>\$ 1,407,572</u>	<u>\$ 1,523,742</u>

Major capital asset events during the current fiscal year included the following:

- Purchase of touch screen control system for Detention Center.
- Purchase of new flooring

Additional information on the Commission's capital assets can be found in Note 5, Exhibit H of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Consideration of funding to be received from contracts and grants.
- The property tax revenue budgeted, materially consistent in accordance with the Commission's accounting policy, represents the estimated amount for the November 2020 assessment, which the Commission will receive, for the most part, in January 2021.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Estimate of operating supplies needed to perform necessary services.
- Services the Commission will provide along with estimated service cost.
- Detailed plan of equipment needed to be purchased.

The Commission receives most of its funding from local taxes and departments of the State of Louisiana. Some of the Commission's grants and contracts are contingent upon the level of service provided by the Commission; therefore, revenues from grants may vary from year to year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Commissioners of the Lafourche Parish Juvenile Justice Commission, P.O. Box 586, Thibodaux, LA 70302-0586.

STATEMENT OF NET POSITION**Lafourche Parish Juvenile Justice Commission**
Thibodaux, Louisiana

June 30, 2020

Assets	
Cash	\$ 2,746,998
Receivables:	
Taxes	133,292
Due from other governmental units	51,193
Capital assets:	
Depreciable, net of accumulated depreciation	<u>1,407,572</u>
Total assets	<u>4,339,055</u>
Liabilities	
Accounts payable and accrued expenditures	166,369
Long-term liabilities - due after one year	<u>203,471</u>
Total liabilities	369,840
Deferred Inflows of Resources	<u>1,512,389</u>
Total liabilities and deferred inflows of resources	<u>1,882,229</u>
Net Position	
Net investment in capital assets	1,407,572
Unrestricted	<u>1,049,254</u>
Total net position	<u><u>\$ 2,456,826</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Lafourche Parish Juvenile Justice Commission**
Thibodaux, Louisiana

For the year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental activities:			
Detention	\$ 701,498	\$ 13,872	\$ (687,626)
Residential homes	1,201,450	626,108	(575,342)
Ropes	14,067	1,770	(12,297)
Administrative	<u>2,414,463</u>	<u>-</u>	<u>(2,414,463)</u>
Total governmental activities	<u>\$ 4,331,478</u>	<u>\$ 641,750</u>	<u>(3,689,728)</u>
General revenues:			
Property taxes and state revenue sharing			3,119,507
Miscellaneous			<u>162,887</u>
Total general revenues			<u>3,282,394</u>
Change in net position			(407,334)
Net position:			
Beginning			<u>2,864,160</u>
Ending			<u>\$ 2,456,826</u>

See notes to financial statements.

GOVERNMENTAL FUND BALANCE SHEET**Lafourche Parish Juvenile Justice Commission**
Thibodaux, Louisiana

June 30, 2020

Assets	
Cash	\$ 2,746,998
Receivables:	
Taxes	133,292
Due from other governmental units	<u>51,193</u>
Total assets	<u><u>\$ 2,931,483</u></u>
Liabilities	
Accounts payable and accrued expenditures	\$ 166,369
Deferred Inflows of Resources	<u>1,512,389</u>
Total liabilities and deferred inflows of resources	<u><u>1,678,758</u></u>
Fund Balance	
Assigned for subsequent year's expenditures	1,414,650
Unassigned	<u>(161,925)</u>
Total fund balance	<u><u>1,252,725</u></u>
Total liabilities and fund balance	<u><u>\$ 2,931,483</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

June 30, 2020

Fund Balance - Governmental Fund	\$ 1,252,725
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Governmental capital assets	\$ 4,379,187
Less accumulated depreciation	<u>(2,971,615)</u>
	1,407,572
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.	
Compensated absences payable	<u>(203,471)</u>
Net Position of Governmental Activities	<u><u>\$ 2,456,826</u></u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE**

**Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana**

For the year ended June 30, 2020

	<u>General Fund</u>
Revenues	
Taxes	\$ 3,094,013
Intergovernmental:	
State of Louisiana	665,474
Charges for services	1,770
Miscellaneous:	
Interest	18,257
Other	<u>149,305</u>
Total revenues	<u>3,928,819</u>
Expenditures/Expenses	
Current:	
General government:	
Ad valorem tax adjustment	61,334
Ad valorem tax deduction	<u>96,581</u>
Total general government	<u>157,915</u>
Public safety - special correctional facilities:	
Personal services	3,410,916
Operating services	360,277
Supplies and materials	236,298
Travel and other charges	<u>7,537</u>
Total public safety	<u>4,015,028</u>

**Exhibit E
(Continued)**

	<u>General Fund</u>
Expenditures/Expenses (Continued)	
Capital outlay	<u>43,909</u>
Total expenditures	<u>4,216,852</u>
Deficiency of Revenues Over Expenditures	(288,033)
Fund Balance	
Beginning of year	<u>1,540,758</u>
End of year	<u><u>\$ 1,252,725</u></u>

See notes to financial statements.

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

**Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana**

For the year ended June 30, 2020

Net Change in Fund Balance - Governmental Fund	\$ (288,033)
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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.

Capital outlay	\$ 43,909	
Depreciation expense	(155,404)	
Loss on disposal of asset	<u>(4,675)</u>	(116,170)

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 fund.

Increase in compensated absences payable		<u>(3,131)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (407,334)</u></u>
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See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 2,900,000	\$ 2,930,000	\$ 3,094,013	\$ 164,013
Intergovernmental:				
State of Louisiana	576,000	626,000	665,474	39,474
Charges for services	5,000	2,000	1,770	(230)
Miscellaneous:				
Interest	10,000	18,000	18,257	257
Other	60,000	150,000	149,305	(695)
Total revenues	<u>3,551,000</u>	<u>3,726,000</u>	<u>3,928,819</u>	<u>202,819</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	200,000	200,000	61,334	138,666
Ad valorem tax deduction	-	-	96,581	(96,581)
Total general government	<u>200,000</u>	<u>200,000</u>	<u>157,915</u>	<u>42,085</u>
Public safety - special correctional facilities:				
Personal services	3,645,000	3,650,000	3,410,916	239,084
Operating services	561,050	531,050	360,277	170,773
Supplies and materials	284,800	284,800	236,298	48,502
Travel and other charges	19,000	20,000	7,537	12,463
Total public safety	<u>4,509,850</u>	<u>4,485,850</u>	<u>4,015,028</u>	<u>470,822</u>
Capital outlay	<u>82,500</u>	<u>57,500</u>	<u>43,909</u>	<u>13,591</u>
Total expenditures	<u>4,792,350</u>	<u>4,743,350</u>	<u>4,216,852</u>	<u>526,498</u>

**Exhibit G
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Deficiency of Revenues Over Expenditures	(1,241,350)	(1,017,350)	(288,033)	729,317
Fund Balance				
Beginning of year	1,006,708	1,540,758	1,540,758	-
End of year	\$ (234,642)	\$ 523,408	\$ 1,252,725	\$ 729,317

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lafourche Parish Juvenile Justice Commission (the "Commission") was created in 1978 under the provisions of Article VI, Sections 5 and 15 of the Constitution of the State of Louisiana of 1974, and Article III of the Home Rule Charter of the Parish of Lafourche to acquire and administer a juvenile justice facility or facilities.

The powers of the Commission, control and management of the affairs of the Commission, are vested in a board of commissioners composed of six qualified electors residing in Lafourche Parish. The commissioners are appointed from the North, South and Central regions of the Parish by the Lafourche Parish Council from names submitted by the Seventeenth Judicial District Judges, the Lafourche Parish School Board and by members of the Lafourche Parish Council.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Commission is a component unit of the Lafourche Parish Council.

GASB No. 14, *"The Financial Reporting Entity"*, GASB No. 39, *"Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14"*, and GASB No. 61, *"The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34"* established the criterion for determining which component units should be considered part of the Commission for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Commission and the potential component unit.
4. Imposition of will by the Commission on the potential component unit.
5. Financial benefit/burden relationship between the Commission and the potential component unit.

The Commission has reviewed all of its activities and determined there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The Commission's financial statements consist of the government-wide statements on all activities of the Commission and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Commission. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

The daily accounts and operations of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflow of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Commission:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

levied, thus the 2019 property taxes which are being levied to finance expenditures for the 2020 calendar year will be recognized as revenue in the fiscal years ending June 30, 2020 and 2021. Accordingly, one half of the 2019 tax levy is recorded as deferred inflows of resources as of June 30, 2020. Intergovernmental revenues consist of per diem funding received on a per client/unit basis. These funds, along with charges for services, are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Commission or an intermediary collecting agency because they are generally not measurable or available until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners adopted a budget for the Commission's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Commission. The Commission amended its budget once during the year ending June 30, 2020. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget is included in the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements of the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more and a useful life greater than one year are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15 - 40 years
Furniture, fixtures, and equipment	5 - 15 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accrued compensated absences-vacation and compensatory time.

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

i) Vacation and Sick Leave

The Commission's policies regarding vacation permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability.

Eligible personnel will earn credits for annual vacation and sick leave for each month of employment. The amount of credits earned is based upon length of service. At the end of each calendar year accumulated vacation and sick leave is carried forward to the new year. At no time can an employee's accumulated vacation balance exceed 15 days more than the rate of accrual. All accumulated vacation vests to the employees; however, all accumulated sick leave lapses at separation of employment.

Compensatory time will be given to those employees not subject to overtime pay. Rate of accrual will be hour for hour with the limitation of ten work days per calendar year. Compensatory time accrued should be taken within the calendar year in which it is accrued. The Commission will pay up to five days of the unused compensatory time at the close of the year.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Deferred Inflows of Resources

The Commission reports deferred inflows of resources when resources associated with imposed non exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non exchange revenues in which the enabling legislation includes time requirements.

k) Fund Equity

Government-wide Financial Statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of 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, if any. As of June 30, 2020, the Commission had no outstanding borrowings that are attributable to capital assets.
- b. Restricted net position - Consists of assets less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2020, the Commission did not have restricted resources.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity (Continued)

- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Commission's Board. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but that are intended to be used for specific purposes. Assignments may be established, modified, or rescinded only through a majority vote of the Board of Commissioners.
- e. Unassigned - all other spendable amounts. This classification is the residual fund balance for the General Fund. It represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund.

For the classification of governmental fund balances, the Commission considers expenditures to be made from the most restrictive first when more than one classification is available. The Commission's fund balance was classified as assigned and unassigned as of June 30, 2020. Assigned fund balance as of June 30, 2020 is for 2020-2021 budgetary expenditures in excess of budgetary revenues.

l) New GASB Statements

During the year ending June 30, 2020, the Commission implemented the following GASB Statements:

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) New GASB Statements (Continued)

the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This statement did not affect the Commission's financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5 through 22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA*" which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement did not affect the Commission's financial statements.

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting government's majority equity interest in legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. This statement does not affect the Commission's financial statements.

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of the coronavirus (COVID-19), as a pandemic. That objective is accomplished by postponing the effective dates of certain statements and implementation guides to those dates reported below.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) New GASB Statements (Continued)

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were 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. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) New GASB Statements (Continued)

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) New GASB Statements (Continued)

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this statement on the financial statements.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits as of June 30, 2020 consisted of the following:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$2,753,010</u>	<u>\$2,746,998</u>

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of June 30, 2020, approximately \$1,981,000 of the Commission's bank balances of \$2,753,010 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the Commission's name as allowed by State Statutes.

As of June 30, 2020, cash in excess of the FDIC insurance was adequately collateralized by securities held by unaffiliated banks for the account of the Commission. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish of Lafourche. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed on January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for 2019 was \$3.20 per \$1,000 of assessed valuation on property within Lafourche Parish for the purpose of maintaining and operating the facilities. As indicated in Note 1c, taxes levied November 1, 2019 are used to fund expenditures in calendar year 2020, therefore one half of the 2019 tax levy was recognized as revenues in the fiscal year ended June 30, 2020 with the balance being recognized in the year ending June 30, 2021. The balance of the taxes levied which was not recognized is reported as deferred inflows of resources as of June 30, 2020.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2020 consisted of the following:

State of Louisiana	
Department of Social Services	<u>\$51,193</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	<u>Additions</u>	Deletions/ Adjustments	Balance June 30, 2020
Capital assets being depreciated:				
Buildings	\$3,649,237	\$ 19,928	\$ -	\$3,669,165
Furniture, fixtures, and equipment	<u>707,592</u>	<u>23,981</u>	<u>21,551</u>	<u>710,022</u>
Total capital assets being depreciated	<u>4,356,829</u>	<u>43,909</u>	<u>21,551</u>	<u>4,379,187</u>
Less accumulated depreciation for:				
Buildings	(2,377,036)	(107,170)	-	(2,484,206)
Furniture, fixtures, and equipment	<u>(456,051)</u>	<u>(48,234)</u>	<u>(16,876)</u>	<u>(487,409)</u>
Total accumulated depreciation	<u>(2,833,087)</u>	<u>(155,404)</u>	<u>(16,876)</u>	<u>(2,971,615)</u>
Total capital assets, net	<u>\$ 1,523,742</u>	<u>\$ (111,495)</u>	<u>\$ 4,675</u>	<u>\$ 1,407,572</u>

The Juvenile Justice facility is on a 10.0-acre tract of land that is owned by the Lafourche Parish Council. The land is being used under an intergovernmental agreement between the Council and the Commission at no cost to the Commission.

Depreciation expense for the year ended June 30, 2020 was allocated to each program as follows:

Detention	\$ 26,840
Residential Homes	26,469
Ropes	1,112
Administration	<u>100,983</u>
Total	<u>\$155,404</u>

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2020 consisted of the following:

Salaries and benefits	\$ 65,571
Protest taxes	67,575
Vendors and others	<u>33,223</u>
Total	<u>\$166,369</u>

Note 7 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in the long-term obligations of the Commission for the year ended June 30, 2020:

	Payable July 1, 2019	Increase/ Earned	Decrease/ Used	Payable June 30, 2020
Vacation leave	\$174,149	\$109,095	\$100,436	\$182,808
Compensatory time	<u>26,191</u>	<u>22,540</u>	<u>28,068</u>	<u>20,663</u>
Totals	<u>\$200,340</u>	<u>\$131,635</u>	<u>\$128,504</u>	<u>\$203,471</u>

Note 8 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 9 - EMPLOYEE RETIREMENT PLAN

Employees are offered participation in the Louisiana Deferred Compensation Plan provided by the Commission to provide retirement benefits to the employee pursuant to Section 457 of the Internal Revenue Code. Participating employees may contribute an amount of their compensation not to exceed statutory limits. After six months of employment, the Commission will match dollar for dollar with holdings for full-time employee contributions as follows: not to exceed 6% of compensation for 1-10 years of continuous employment, not to exceed 8% of compensation for 11-15 years of continuous

Note 9 - EMPLOYEE RETIREMENT PLAN (Continued)

employment, not to exceed 10% of compensation for 16 or more years of continuous employment. During the year ended June 30, 2020, the Commission made contributions to the Louisiana Deferred Compensation Plan totaling \$107,283.

Note 10 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 2020.

Note 11 - STATE OF LOUISIANA TAX ABATEMENTS

The Commission's ad valorem tax revenues for the year ended June 30, 2020 were reduced by \$178,391 under agreements entered into with the State of Louisiana.

Note 12 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through September 14, 2020, which is the date the financial statements were available to be issued.

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business and the financial markets have recently experiences significant volatility. While the Commission has been immediately impacted by the adverse conditions in the financial markets, the long term impact on the Commission's operations is uncertain at this time.

SUPPLEMENTARY INFORMATION SECTION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

For the year ended June 30, 2020

Agency Head Name: Jarvis Shanklin, Commission Administrator

Purpose	
Salary	\$ 88,004
Benefits - insurance	13,249
Benefits - retirement	5,280
Benefits - other	-
Car allowance	10,200
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	529
Conference travel	488
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Membership dues	1,190
Software subscriptions	-
Special meals	326
	<hr/>
	\$ 119,266
	<hr/> <hr/>

Note:
Jarvis Shanklin is the Commission Administrator and functions as the Chief Executive Officer.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission (the "Commission") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated September 14, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly we do not express an opinion on the effectiveness of the Commission'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Commission'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 Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Certified Public Accountants.

Thibodaux, Louisiana,
September 14, 2020.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

For the year ended June 30, 2020

Section I - Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2019.

No significant deficiencies were reported during the audit for the year ended June 30, 2019.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

The Commission did not expend more \$750,000 in Federal awards during the year ended June 30, 2019, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2019.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

For the year ended June 30, 2020

Section I - Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2020.

No significant deficiencies were reported during the audit for the year ended June 30, 2020.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

The Commission did not expend more \$750,000 in Federal awards during the year ended June 30, 2020, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2020.