

**ORLEANS PARISH JUVENILE COURT  
FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
INDEPENDENT AUDITORS' REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	5
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>	
Statement of Net Position - December 31, 2018 .....	14
Statement of Activities For the Year Ended December 31, 2018 .....	15
Balance Sheet - Governmental Funds - December 31, 2018 .....	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2018 .....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2018 .....	18
Statement of Fiduciary Net Position - December 31, 2018 .....	19
NOTES TO THE FINANCIAL STATEMENTS .....	20
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
SCHEDULE I - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Governmental Funds - Budgetary Basis For the Year Ended December 31, 2018 .....	36

**TABLE OF CONTENTS, CONTINUED**

	<b><u>PAGE</u></b>
<b>REQUIRED SUPPLEMENTARY INFORMATION, CONTINUED:</b>	
SCHEDULE II - Schedule of Budgetary to GAAP Reconciliation For the Year Ended December 31, 2018 .....	37
Notes to Budgetary Data Information .....	38
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
SCHEDULE III - Combining Balance Sheet - Special Revenue Funds - December 31, 2018 .....	39
SCHEDULE IV - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds For the Year Ended December 31, 2018 .....	40
SCHEDULE V - Combining Statement of Fiduciary Net Position - Agency Funds - December 31, 2018 .....	41
SCHEDULE VI - Schedule of Compensation, Benefits and Other Payments to the Chief Judge For the Year Ended December 31, 2018 .....	42
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	43
<b>SUMMARY SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2018:</b>	
Section I - Summary of Auditors' Results .....	46
Section II - Financial Statement Findings and Responses .....	48
Section III - Federal Award Findings and Questioned Costs .....	52
Section IV - Status of Prior Year's Findings and Responses .....	52
EXIT CONFERENCE .....	53



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## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information, and the related notes to the financial statements of **Orleans Parish Juvenile Court (OPJC)** as of and for the year ended December 31, 2018, which collectively comprise **OPJC'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 the basic financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express our 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

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

**Auditors' Responsibility, Continued**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to **OPJC'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 **OPJC'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 basic financial statements.

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

**Opinions**

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

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

**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 13, and budgetary comparison information on pages 36 through 38 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 Supplementary Information*

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

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

**Other Matters, Continued**

*Other Supplementary Information, Continued*

The schedules previously referred to are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules III through VI 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 June 21, 2019, on our consideration of **OPJC's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **OPJC's** internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019

**ORLEANS PARISH JUVENILE COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Introduction to the Two Types of Financial Statements**

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

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

The difference in *measurement focus* affects the types of transactions and events that are reported in the operating statement. Specifically, since *fund* statements are concerned with only *current* financial resources, noncurrent assets and liabilities, as applicable are not shown on the Balance Sheet, and their related expenses are not reflected in the operating statements; *government-wide* financial statements *include* noncurrent assets and liabilities and their related expenses. Because the fund level statements reflect current financial resources, the full purchase price of capital assets in 2018 and 2017 for **OPJC** was \$21,652 and \$21,171, respectively. In contrast, since the *government-wide* statements focus on *total* economic resources, capital assets are shown as noncurrent assets on the Statement of Net Position (with their related accumulated depreciation), and a portion of their purchase price has been allocated as depreciation expense on the Statement of Activities, as is the practice in private-sector enterprises. On the liability side, the fund-level Balance Sheet and the government-wide Statement of Net Position have no long-term obligations at December 31, 2018 and 2017.

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

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**Introduction to the Two Types of Financial Statements, Continued**

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

**CHART 1:**

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

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

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

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**CHART 1:, CONTINUED**

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

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

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

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

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**CHART 1:, CONTINUED**

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

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

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

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

**Using This Annual Report**

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

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

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**FINANCIAL HIGHLIGHTS AND ANALYSIS**

**How 2018 Compares with 2017 - Statement of Net Position**

Chart 2 provides condensed information from the Statement of Net Position for 2018 and 2017.

**CHART 2:**

**Statement of Net Position Comparative Data  
December 31,**

	2018	2017
Current assets	\$1,435,372	\$1,371,857
Capital assets, net	<u>94,122</u>	<u>115,771</u>
Total assets	<u>1,529,494</u>	<u>1,487,628</u>
Current liabilities	<u>474,527</u>	<u>470,329</u>
Total liabilities	<u>474,527</u>	<u>470,329</u>
Net position:		
Net investment in capital assets	94,122	115,771
Unrestricted	<u>960,845</u>	<u>901,528</u>
Total net position	<u>\$1,054,967</u>	<u>\$1,017,299</u>

For 2018, net position increased from \$1,017,299 in 2017 to \$1,054,967 in 2018 representing a change in net position of \$37,668. The net change was the result of increases in on-behalf payments and grants from **OPJC's** funding sources to enhance service delivery.

For 2017, net position decreased from \$1,134,987 in 2016 to \$1,017,299 in 2017, representing a change in net position of \$(117,688). The net change was the result of depreciation expense and write-off in leasehold improvements cost from its previous office building. Furthermore, net position was affected through the use of fund balance to support court programs.

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

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**FINANCIAL HIGHLIGHTS AND ANALYSIS, CONTINUED**

**How 2018 compares with 2017 - Statement of Activities**

Chart 3 below gives comparative data from the Statement of Activities for the years ended December 31, 2018 and 2017:

**CHART 3:**

**Statement of Activities Comparative Data**

For the Years Ended December 31,

	<u>2018</u>	<u>2017</u>
Revenues:		
Charges for services	\$ 72,780	\$ 90,861
Operating grants	1,701,770	1,635,248
On-behalf payments	2,401,736	2,331,019
Other income	<u>27,021</u>	<u>38,197</u>
Total revenues	<u>4,203,307</u>	<u>4,095,325</u>
Expenses:		
Juvenile Court	<u>4,165,639</u>	<u>4,213,013</u>
Total expenses	<u>4,165,639</u>	<u>4,213,013</u>
Change in net position	37,668	(117,688)
Net position, beginning of year	<u>1,017,299</u>	<u>1,134,987</u>
Net position, end of year	<u>\$1,054,967</u>	<u>\$1,017,299</u>

For the year ended December 31, 2018, total revenues increased from \$4,095,325 in 2017 to \$4,203,307 in 2018. The increase was primarily due to the level of funding obtained from on-behalf payments from the City of New Orleans and grants from other agencies to enhance program service delivery.

For the year ended December 31, 2017, total revenues increased from \$3,960,279 in 2016 to \$4,095,325 in 2017. The change was primarily due to additional operating funds granted to further the course of **OPJC's** juvenile activities.

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

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**FINANCIAL HIGHLIGHTS AND ANALYSIS, CONTINUED**

Total expenses for the year ended December 31, 2018, decreased from \$4,213,013 in 2017 to \$4,165,639 in 2018 due to cost containment and budgetary cuts in the categories of communication, professional services, professional education and dues.

Comparatively total expenses for the year ended December 31, 2017 increased from \$3,883,781 in 2016 to \$4,213,013 in 2017 due to payroll and benefits adjustments and overall inflationary costs associated with service delivery.

**Budgetary Comparison Information**

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

Chart 4 below shows the amounts for the original budget, final budget, and actual results for 2018 and 2017.

**CHART 4:**

**2018 and 2017 Budgetary Comparison Data**

For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$4,034,374	\$4,274,428	\$4,203,307
Total revenues	<u>4,034,374</u>	<u>4,274,428</u>	<u>4,203,307</u>
Operating expenditures	<u>4,225,163</u>	<u>4,465,217</u>	<u>4,143,990</u>
Total expenditures	<u>4,225,163</u>	<u>4,465,217</u>	<u>4,143,990</u>
Total other financing sources	<u>190,789</u>	<u>190,789</u>	<u>-0-</u>
Change in fund balance	\$ <u>-0-</u>	\$ <u>-0-</u>	<u>59,317</u>
Fund balance, beginning of year			<u>901,528</u>
Fund balance, end of year			<u>\$ 960,845</u>

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

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**Budgetary Comparison Information, Continued**

The original budget adopted for the General and Special Revenue Funds by **OPJC** for 2018 was amended to reflect additional grant funds acquired during the fiscal year, increase in projections for current revenues, and increases in areas of related costs, and professional services. See page 37 for notes to the budgetary data information.

**CHART 4:**

**2018 and 2017 Budgetary Comparison Data, Continued**

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$3,896,546	\$4,155,916	\$4,095,325
Total revenues	<u>3,896,546</u>	<u>4,155,916</u>	<u>4,095,325</u>
Operating expenditures	<u>3,998,546</u>	<u>4,333,163</u>	<u>4,171,473</u>
Total expenditures	<u>3,998,546</u>	<u>4,333,163</u>	<u>4,171,473</u>
Total other financing sources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in fund balance	<u>\$ (102,000)</u>	<u>\$ (177,247)</u>	<u>(76,148)</u>
Fund balance, beginning of year			<u>977,676</u>
Fund balance, end of year			<u>\$ 901,528</u>

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

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**Overall Analysis**

The overall increase in cash of \$34,050 at December 31, 2018 was due to a combination of factors resulting from a change in net position to include the amounts in receivables and payables. The net decrease in capital assets of \$21,649 results from purchases of capital assets of \$21,652 less depreciation expense of \$43,301 for the year ended December 31, 2016. The change in net position of \$37,668 results primarily from a combination of cost containment and slight increases in grants and on-behalf payments to enhance program service delivery.

The overall increase in cash was \$2,391 at December 31, 2017. The net decrease in capital assets at December 31, 2017 of \$26,471 results from purchases of capital assets of \$21,171 less depreciation expense of \$47,642 and loss on disposal of capital assets of \$15,069. The change in net position of \$(117,688) resulted primarily from utilization of fund balance to support court programs.

**Requests for Information**

This financial report is designed to provide a general overview of the finances of **OPJC** for all interested parties in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Fiscal Administrator for **OPJC**, 1100 Milton Street, New Orleans, LA 70112.

**ORLEANS PARISH JUVENILE COURT**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash (NOTE 2)	\$ 830,377
Restricted cash (NOTE 3)	310,076
Grants receivable	286,903
Prepaid items and other assets	<u>8,016</u>
Total current assets	<u>1,435,372</u>
Noncurrent Assets:	
Capital assets, net (NOTE 5)	<u>94,122</u>
Total noncurrent assets	<u>94,122</u>
Total assets	<u>1,529,494</u>
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Accounts payable and accrued expenses	72,065
Salaries and benefits payable	31,885
Interfund payables, net (NOTE 4)	<u>370,577</u>
Total current liabilities	<u>474,527</u>
Total liabilities	<u>474,527</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets (NOTE 5)	94,122
Unrestricted	<u>960,845</u>
Total net position	<u>\$1,054,967</u>

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

**ORLEANS PARISH JUVENILE COURT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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Function/Program	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Charges in <u>Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
<u>Governmental Activities:</u>				
Juvenile Court	\$ <u>4,165,639</u>	\$ <u>72,780</u>	\$ <u>1,701,770</u>	\$( <u>2,391,089</u> )
Total governmental activities	\$ <u>4,165,639</u>	\$ <u>72,780</u>	\$ <u>1,701,770</u>	(2,391,089)
<u>General Revenues:</u>				
On-behalf payments				2,401,736
Other income				<u>27,021</u>
Total general revenues				<u>2,428,757</u>
Change in net position				<u>37,668</u>
Net position, beginning of year				<u>1,017,299</u>
Net position, end of year				<u>\$ 1,054,967</u>

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

**ORLEANS PARISH JUVENILE COURT**  
**BALANCE SHEET-- GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

<b><u>ASSETS</u></b>			
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Governmental</u>
Cash	\$ 592,958	\$237,419	\$ 830,377
Restricted cash	310,076	-0-	310,076
Grants receivable	286,903	-0-	286,903
Interfund receivables	837	99,585	100,422
Prepaid items and other assets	<u>8,016</u>	<u>-0-</u>	<u>8,016</u>
Total assets	<u>1,198,790</u>	<u>337,004</u>	<u>1,535,794</u>

<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	71,996	69	72,065
Salaries and benefits payable	31,885	-0-	31,885
Interfund payables	<u>470,964</u>	<u>35</u>	<u>470,999</u>
Total liabilities	<u>574,845</u>	<u>104</u>	<u>574,949</u>

<b><u>FUND BALANCES</u></b>			
Nonspendable	8,016	-0-	8,016
Committed	-0-	336,900	336,900
Unassigned	<u>615,929</u>	<u>-0-</u>	<u>615,929</u>
Total fund balances	<u>623,945</u>	<u>336,900</u>	<u>960,845</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund at the fund level.

Governmental capital assets	1,325,752	-0-	1,325,752
Less: accumulated depreciation	<u>(1,231,630)</u>	<u>-0-</u>	<u>(1,231,630)</u>
Net position	<u>\$ 718,067</u>	<u>\$336,900</u>	<u>\$ 1,054,967</u>

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

**ORLEANS PARISH JUVENILE COURT**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental</u>
<b>REVENUES</b>			
On-behalf payments for salaries and fringe benefits	\$2,401,736	\$ -0-	\$2,401,736
Grant income	759,167	-0-	759,167
Contractual services	942,603	-0-	942,603
Court costs	24,196	-0-	24,196
Fines and fees	28,070	20,514	48,584
Other income	<u>27,021</u>	<u>-0-</u>	<u>27,021</u>
Total revenues	<u>4,182,793</u>	<u>20,514</u>	<u>4,203,307</u>
<b>EXPENDITURES</b>			
Direct:			
Salaries and fringe benefits through on-half payments	2,401,736	-0-	2,401,736
Salaries	176,066	-0-	176,066
Fringe benefits	93,790	-0-	93,790
Court reporter and interpreter fees	32,306	-0-	32,306
Juvenile transportation and drug testing	<u>3,698</u>	<u>-0-</u>	<u>3,698</u>
Total direct expenditures	<u>2,707,596</u>	<u>-0-</u>	<u>2,707,596</u>
Indirect:			
Books, printing and copying	13,066	-0-	13,066
Communication	22,879	-0-	22,879
Equipment rental and maintenance	84,475	-0-	84,475
Insurance	20,245	-0-	20,245
Office supplies and expenditures	54,550	-0-	54,550
Professional services	1,073,634	-0-	1,073,634
Professional education and dues	74,308	-0-	74,308
Record storage	34,751	-0-	34,751
Capital outlays	21,652	-0-	21,652
Other expenditures	<u>36,834</u>	<u>-0-</u>	<u>36,834</u>
Total indirect expenditures	<u>1,436,394</u>	<u>-0-</u>	<u>1,436,394</u>
Total expenditures	<u>4,143,990</u>	<u>-0-</u>	<u>4,143,990</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	23,228	-0-	23,228
Transfers out	<u>-0-</u>	<u>(23,228)</u>	<u>(23,228)</u>
Total other financing sources (uses)	<u>23,228</u>	<u>(23,228)</u>	<u>-0-</u>
Change in fund balances	<u>62,031</u>	<u>(2,714)</u>	<u>59,317</u>
Fund balances, beginning of year	<u>561,914</u>	<u>339,614</u>	<u>901,528</u>
Fund balances, end of year	<u>\$ 623,945</u>	<u>\$336,900</u>	<u>\$ 960,845</u>

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

**ORLEANS PARISH JUVENILE COURT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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Net change in fund balance - Governmental Funds \$ 59,317

Governmental funds report capital outlays as expenditures.  
However, in the Statement of Activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which  
depreciation expense of \$43,301 exceeded capital outlays  
of \$21,652 in the current period. (21,649)

Change in net position of governmental activities \$ 37,668

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

**ORLEANS PARISH JUVENILE COURT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2018**

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**ASSETS**

Cash	\$147,254
Interfund receivables	395,577
Other receivables	<u>6,822</u>
Total assets	<u>549,653</u>

**LIABILITIES**

Fines collections payable	51,527
Interfund payables	25,000
Bonds outstanding	364,654
Unprocessed payments	<u>108,472</u>
Total liabilities	<u>549,653</u>
Net position	\$ <u><u>-0-</u></u>

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES :

Background

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

Basis of Presentation

The accompanying basic financial statements of **OPJC** have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999 and as amended.

Reporting Entity

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED:**

Reporting Entity, Continued

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

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

Government-Wide and Fund Financial Statements

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

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED:**

Government-Wide and Fund Financial Statements, Continued

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

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

**OPJC** reports its governmental funds as follows:

General Fund

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

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

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Government-Wide and Fund Financial Statements, Continued

Net Position

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

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

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

**ORLEANS PARISH JUVENILE COURT**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Government-Wide and Fund Financial Statements, Continued

General Fund, Continued

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

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

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

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

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

Special Revenue Fund

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

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED:**

Government-Wide and Fund Financial Statements, Continued

Fiduciary Fund

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

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

Budgets

At a public meeting on December 20, 2017, the Judges *En Banc* adopted a budget for the year ended December 31, 2018. Further, in compliance with the Budget Act, the Judges *En Banc* adopted a budget for the year ending December 31, 2019 on December 19, 2018.

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED:**

Cash

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

Interfund Receivables and Payables

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

Prepaid Items and Other Assets

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

Capital Assets

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED:**

Capital Assets, Continued

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

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Computer equipment	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	15 years

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

Compensated Absences

Contract employees compensated under various grants earn "paid time off" only on a semi-monthly basis. At year end, accrued leave earned but unused by those contract employees, if any, is rolled over and paid, or expires within six months after year end. At December 31, 2018 there were no contract employees who had earned "paid time off" that was unpaid.

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Interfund Transactions

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

Use of Estimates

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

Fund Balance Reporting

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

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED:**

Fund Balance Reporting, Continued

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

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

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

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

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

**OPJC** has classified its fund balance within the following hierarchy:

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

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

Restricted and Unrestricted Resources

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED:**

New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84 (Fiduciary Activities). This Statement established criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In June 2017, GASB issued Statement No. 87 (Leases). It establishes a single model for lease accounting based on the foundational principle that leases are financing of right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Restricted and Unrestricted Resources

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

**NOTE 2 - CASH:**

At December 31, 2018, **OPJC's** total cash in demand deposit accounts was \$1,140,453, composed of \$903,034 of cash and restricted cash in the General Fund and \$237,419 in the Special Revenue Fund. These deposits are stated at cost, which approximates market.

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - CASH, CONTINUED:

**OPJC** maintains non-interest bearing accounts at a local bank. At December 31, 2018, **OPJC** has a carrying balance of \$1,140,453 and \$1,138,275 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and unsecured from risk by \$2,452,126 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

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

NOTE 3 - RESTRICTED CASH:

Restricted cash at December 31, 2018 in the amount of \$310,076 represents funds held on behalf of others.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES:

Interfund receivables and payables at December 31, 2018 consisted of interfund advances between the General Fund, Special Revenue Fund and Fiduciary Fund as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 837	\$470,964
Special Revenue Fund	99,585	35
Fiduciary Fund	<u>395,577</u>	<u>25,000</u>
	<u>\$495,999</u>	<u>\$495,999</u>

The net of the interfund activities between the General and Special Revenue Funds results in a net interfund payable of \$370,577 at December 31, 2018.

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 5 - CAPITAL ASSETS, NET:**

The following is a summary of changes in capital assets and accumulated depreciation and amortization, at December 31, 2018:

	<u>Balance</u> <u>December 31, 2017</u>	<u>Additions/</u> <u>Changes</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2018</u>
Vehicles	\$ 111,893	\$ -0-	\$ -0-	\$ 111,893
Computer equipment and software	922,590	12,502	-0-	935,092
Office equipment	217,406	-0-	-0-	217,406
Furniture and fixtures	49,269	9,150	-0-	58,419
Leasehold improvements	<u>2,942</u>	<u>-0-</u>	<u>-0-</u>	<u>2,942</u>
Total capital assets	1,304,100	21,652	-0-	1,325,752
Less: accumulated depreciation	<u>(1,188,329)</u>	<u>(43,301)</u>	<u>-0-</u>	<u>(1,231,630)</u>
Capital assets, net	<u>\$ 115,771</u>	<u>\$(21,649)</u>	<u>\$ -0-</u>	<u>\$ 94,122</u>

Depreciation and amortization expense charged for the year ended December 31, 2018 was \$43,301.

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

**NOTE 6 - BONDS OUTSTANDING:**

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 7 - UNPROCESSED PAYMENTS:**

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

**NOTE 8 - OPERATING LEASES:**

**OPJC** leases office equipment under a non-cancellable operating lease terminating in December 2022. Lease expense for the year ended December 31, 2018 was \$26,422.

At December 31, 2018, future minimum rental payments under the above leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2019	\$20,064
2020	20,064
2021	20,064
2022	<u>20,064</u>
	<u>\$80,256</u>

**NOTE 9 - RISK MANAGEMENT:**

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 10 - EXPENSES OF THE COURT PAID BY OTHERS:**

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

Major portions of the salaries and related benefits of **OPJC**'s administrative and support staff are also paid by other governmental entities. Salary and fringe benefit payments made by the City of New Orleans and the Louisiana Supreme Court, in the amounts of \$1,814,430 and \$587,306, respectively, are included in the accompanying financial statements for the General Fund as revenues and personnel costs. The fringe benefit payments noted above, made by the City of New Orleans on behalf of **OPJC** include contributions of \$269,577 to the Municipal Employees' Retirement System of the City of New Orleans.

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

In addition to the expenses mentioned above, **OPJC** received \$942,603 of funding from city appropriations, which is included in contractual services in the statement of revenues, expenditures, and changes in fund balances.

**NOTE 11 - CONCENTRATION OF CREDIT RISK:**

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

**ORLEANS PARISH JUVENILE COURT**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 12 - FEDERALLY ASSISTED PROGRAMS:

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

NOTE 13 - PER DIEM:

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

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**SCHEDULE I**

**ORLEANS PARISH JUVENILE COURT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	General Fund			Special Revenue Fund		
	Budgeted Amounts	Actual Amounts	Variance with Budget Over (Under)	Budgeted Amounts	Actual Amounts	Variance with Budget Over (Under)
<b>REVENUES</b>						
On-behalf payments for salaries and fringe benefits	\$ 2,364,676	\$ 2,401,736	\$ 37,060	\$ -0-	\$ -0-	\$ -0-
Grant income	856,549	759,167	(97,382)	-0-	-0-	-0-
Contractual services	942,603	942,603	-0-	-0-	-0-	-0-
Court costs	-0-	24,196	24,196	850	-0-	\$ (850)
Fines and fees	47,400	28,070	(19,330)	39,850	20,514	\$ (19,336)
Other income	22,500	27,021	4,521	-0-	-0-	-0-
<b>Total revenues</b>	<b>4,233,728</b>	<b>4,182,793</b>	<b>(50,935)</b>	<b>40,700</b>	<b>20,514</b>	<b>(20,186)</b>
<b>EXPENDITURES</b>						
Salaries and fringe benefits through on-behalf payments	2,392,177	2,401,736	9,559	-0-	-0-	-0-
Salaries	202,428	176,066	(26,362)	-0-	-0-	-0-
Fringe benefits	115,193	93,790	(21,403)	-0-	-0-	-0-
Court reporter and interpreter fees	33,173	32,306	(867)	-0-	-0-	-0-
Juvenile transportation and drug testing	1,000	3,698	2,698	-0-	-0-	-0-
Books, printing and copying	-0-	13,066	13,066	-0-	-0-	-0-
Communication	21,035	22,879	1,844	-0-	-0-	-0-
Equipment rental and maintenance	28,000	84,475	56,475	-0-	-0-	-0-
Insurance	23,791	20,245	(3,546)	-0-	-0-	-0-
Office supplies and materials	48,243	54,550	6,307	-0-	-0-	-0-
Professional services	1,248,463	1,073,634	(174,829)	-0-	-0-	-0-
Professional education and dues	90,911	74,308	(16,603)	-0-	-0-	-0-
Record storage	-0-	34,751	34,751	-0-	-0-	-0-
Capital outlays	-0-	21,652	21,652	-0-	-0-	-0-
Other expenditures	260,803	36,834	(223,969)	-0-	-0-	-0-
<b>Total expenditures</b>	<b>4,465,217</b>	<b>4,143,990</b>	<b>(321,227)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(231,489)	38,803	270,292	40,700	\$ 20,514	(20,186)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from (to) other funds	\$ 190,789	23,228	\$ (167,561)	-0-	(23,228)	(23,228)
<b>Total other financing sources (uses)</b>	<b>\$ 190,789</b>	<b>\$ 23,228</b>	<b>\$ (167,561)</b>	<b>-0-</b>	<b>(23,228)</b>	<b>(23,228)</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (40,700)	62,031	\$ 102,731	\$ 40,700	\$ (2,714)	\$ (43,414)
Fund balances, beginning of year		561,914			339,614	
Fund balances, end of year		\$ 623,945			\$ 336,900	

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE II**

**ORLEANS PARISH JUVENILE COURT**  
**SCHEDULE OF BUDGETARY TO GAAP RECONCILIATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(UNAUDITED)**

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

A reconciliation of the previously described basis follows:

Excess of expenditures over revenues (budgetary basis)	\$ 59,317
Adjustments:	
Amount by which depreciation expense exceeds additions to capital outlay	<u>(21,649)</u>
Change in net position	<u>\$ 37,668</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE II, CONTINUED**

**ORLEANS PARISH JUVENILE COURT  
NOTES TO BUDGETARY DATA INFORMATION**

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

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

Once the budget is approved by the Judges En Banc, the steps outlined in LSA-R.S. 39:1301 et seq. are implemented. Those provisions require **OPJC** to advertise, thirty days in advance thereof, the date, place and time of a public hearing for the adoption of the future year's budget. The proposed budget is available for inspection by members of the public prior to the hearing. At the hearing the proceedings are recorded and the Judges are available to address any issues or concerns raised by any members of the public.

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

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

See Independent Auditors' Report on Supplementary Information.

**OTHER  
SUPPLEMENTARY INFORMATION**

**SCHEDULE III**

**ORLEANS PARISH JUVENILE COURT  
COMBINING BALANCE SHEET -  
SPECIAL REVENUE FUNDS  
DECEMBER 31, 2018**

	Case Processing Fund	Bond Escrow Fund	Special Probation Fund	Traffic Fund	Total
<b>ASSETS</b>					
Cash	\$ 46,857	\$ 18,386	\$ 79,160	\$ 93,016	\$ 237,419
Interfund receivables	13,610	4,800	37,475	43,700	99,585
Total assets	<u>\$ 60,467</u>	<u>\$ 23,186</u>	<u>\$ 116,635</u>	<u>\$ 136,716</u>	<u>\$ 337,004</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Fine collections payable	64	5	-0-	-0-	69
Interfund payables	35	-0-	-0-	-0-	35
Total liabilities	<u>99</u>	<u>5</u>	<u>-0-</u>	<u>-0-</u>	<u>104</u>
Fund balances:					
Committed	60,368	23,181	116,635	136,716	336,900
Total fund balances	<u>60,368</u>	<u>23,181</u>	<u>\$ 116,635</u>	<u>\$ 136,716</u>	<u>336,900</u>
Total liabilities and fund balances	<u>\$ 60,467</u>	<u>\$ 23,186</u>	<u>\$ 116,635</u>	<u>\$ 136,716</u>	<u>\$ 337,004</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**ORLEANS PARISH JUVENILE COURT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Case Processing Fund	Bond Escrow Fund	Special Probation Fund	Traffic Fund	Total
<b>REVENUES</b>					
Fines and fees	\$ 187	\$ 4,745	\$ 50	\$ 15,532	\$ 20,514
Total revenues	<u>187</u>	<u>4,745</u>	<u>50</u>	<u>15,532</u>	<u>20,514</u>
<b>EXPENDITURES</b>					
Administrative costs	-0-	-0-	-0-	-0-	-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TRANSFERS</b>					
Transfers to other funds	1,223	1,675	477	19,853	23,228
Total transfers	<u>1,223</u>	<u>1,675</u>	<u>477</u>	<u>19,853</u>	<u>23,228</u>
Change in fund balance	(1,036)	3,070	(427)	(4,321)	(2,714)
Fund balances, beginning of year	<u>61,404</u>	<u>20,111</u>	<u>117,062</u>	<u>141,037</u>	<u>339,614</u>
Fund balances, end of year	<u>\$ 60,368</u>	<u>\$ 23,181</u>	<u>\$ 116,635</u>	<u>\$ 136,716</u>	<u>\$ 336,900</u>

See Independent Auditors' Report on Supplementary Information.

**ORLEANS PARISH JUVENILE COURT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**DECEMBER 31, 2018**

	Non- support Fund	Restitution Fund	Orleans Public Defender Program Fund	Bond Fund	Total Agency
<b>ASSETS</b>					
Cash	\$ 11,500	\$ 12,196	\$ 2,001	\$ 121,557	\$ 147,254
Interfund receivables	134,866	22,318	1,906	236,487	395,577
Other receivables	-0-	-0-	212	6,610	\$ 6,822
Total assets	<u>146,366</u>	<u>34,514</u>	<u>4,119</u>	<u>364,654</u>	<u>549,653</u>
<b>LIABILITIES</b>					
Fines collections payable	15,100	34,514	1,913	-0-	51,527
Interfund payables	22,794	-0-	2,206	-0-	25,000
Bonds outstanding	-0-	-0-	-0-	364,654	364,654
Unprocessed payments	108,472	-0-	-0-	-0-	108,472
Total liabilities	<u>146,366</u>	<u>34,514</u>	<u>4,119</u>	<u>364,654</u>	<u>549,653</u>
Net position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE VI

ORLEANS PARISH JUVENILE COURT  
SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO CHIEF JUDGE  
FOR THE YEAR ENDED DECEMBER 31, 2018

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Chief Judge Name: Honorable Judge Candice Bates-Anderson

<u>Purpose</u>	<u>Amount</u>
Benefits - insurance	\$ 490
Benefits - other	4,998
Per diem	584
Conference travel	1,383
Dues	<u>2,083</u>
	<u>\$9,538</u>

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

See Independent Auditors' Report on Supplementary Information.

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Controller General of the United States of America the financial statements of the governmental activities, the major fund and the aggregate remaining fund information and the related notes to the financial statements which collectively comprise the basic financial statements of **Orleans Parish Juvenile Court (OPJC)** as of and for the year ended December 31, 2018, and have issued our report thereon dated June 21, 2019.

**Internal Control Over Financial Reporting**

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

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

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(CONTINUED)

**Internal Control Over Financial Reporting, Continued**

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We did identify deficiencies in internal control over financial reporting described in the accompanying Summary Schedule of Findings and Responses as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

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

**Compliance and Other Matters**

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

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

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(CONTINUED)

**OPJC's Response to Findings**

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

**Purpose of this Report**

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

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019

**ORLEANS PARISH JUVENILE COURT**  
**SUMMARY SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted: No

***Federal Awards***

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Not Applicable

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of *the Uniform Guidance*? Not Applicable

**ORLEANS PARISH JUVENILE COURT**  
**SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Section I - Summary of Auditors' Results, Continued**

*Federal Awards, Continued*

Identification of Major Programs: Not Applicable

Dollar threshold used to distinguish  
between Type A and Type B programs: Not Applicable

Auditee qualified as low-risk auditee? Not Applicable

**ORLEANS PARISH JUVENILE COURT**  
**SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Section II - Financial Statement Findings and Responses**

**Reference Number**

2018-001

**Criteria**

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

**Condition**

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

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

**Context**

Total liabilities for the Fiduciary Fund at December 31, 2018 were \$549,653.

**Effect or Potential Effect**

Potential for misstatement in prepared financial statements.

**Cause**

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

**ORLEANS PARISH JUVENILE COURT**  
**SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Section II - Financial Statement Findings and Responses, Continued**

**Reference Number, Continued**

2018-001

**Recommendation**

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

**Management's Response and Corrective Action Plan**

Partially resolved. A detailed listing of all participants for the restitution and bond accounts has been prepared. **OPJC** is still in the process of locating files and establishing a procedure to move forward with the full resolution of this matter.

**ORLEANS PARISH JUVENILE COURT**  
**SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Section II - Financial Statement Findings and Responses, Continued**

**Reference Number**

2018-002

**Criteria**

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

**Condition**

During the course of the audit, we continued to note that the financial statements as prepared by OPJC required audit adjustments to fairly state account balances.

Furthermore, we noted the absence of a formalized practice to evidence the periodic analysis and review of significant general ledger accounts.

**Context**

Total amount of revenues and expenses for the year ended December 31, 2018 were \$4,203,307 and \$4,165,639.

**Effect or Potential Effect**

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

**Cause**

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

**ORLEANS PARISH JUVENILE COURT**  
**SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Section II - Financial Statement Findings and Responses, Continued**

**Reference Number, Continued**

2018-002

**Recommendation**

We recommend that management develop and implement policies and procedures to ensure that significant general ledger accounts and related subledgers are reconciled monthly.

**Management's Response and Planned Corrective Action**

Management has initiated a revised month-end closing process that includes an enhanced review and monitoring of general ledger account analysis and reconciliations.

**ORLEANS PARISH JUVENILE COURT**  
**SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

**Section III - Federal Award Findings and Questioned Costs**

No federal award findings and questioned costs were reported for the year ended December 31, 2018.

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

No prior year's findings and responses were reported during the year ended December 31, 2018.

## ORLEANS PARISH JUVENILE COURT

### EXIT CONFERENCE

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

### ORLEANS PARISH JUVENILE COURT

Yolanda Johnson

-- Fiscal Administrator

### BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

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

-- Partner

Sherina Clavier, CPA

-- Manager

Clyde Hunter, CPA

-- Senior

Mark Woods

-- Staff Accountant



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA  
Joseph A. Akanji, CPA

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

---

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

Management of **Orleans Parish Juvenile Court (OPJC)** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements of **OPJC** as of and for the year ended December 31, 2018, we considered **OPJC's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **OPJC's** internal control. Accordingly, we do not express an opinion on the effectiveness of **OPJC's** internal control.

We discussed with management the current status of prior year's other matters. We previously reported on **OPJC's** internal control in our report dated June 21, 2019. This letter does not affect our report dated June 21, 2019 on the financial statements of **OPJC**.

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

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

---

**(CONTINUED)**

*Current Year's Other Matters*  
**2018**

Our discussion of current year's other matters follows:

**Reference Number**

OM 2018-001

**Criteria**

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

**Condition**

Our testwork performed on sampled cash receipts and disbursements transactions, and selected bank account reconciliations, revealed the following conditions:

- In two (2) of ten (10) cash collections reviewed, we noted that the bank deposits were performed outside of **OPJC's** two (2) day policy requirement.
- Bank account reconciling items totaling \$463.34 on **OPJC's** bank account reconciliations, revealed in each instance where the reconciling items were stale dated past one (1) year.
- For selected journal entries reviewed, we noted no documented evidence of the preparer of the journal entries.

**Context**

Total revenues including on-behalf payments for the year ended December 31, 2018 were \$4,203,279 and total expenses were \$4,165,639.

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

---

**(CONTINUED)**

*Current Year's Other Matters, Continued*  
**2018**

**Reference Number, Continued**

OM 2018-001

**Effect or Potential Effect**

Potential for misstatement in prepared financial statements.

**Cause**

Lack of established procedures and processes to ensure the completeness in recorded transactions.

**Recommendation**

We recommend that management enhance its oversight over compliance with its established policies and practices on a continuous basis.

**Management's Response and Planned Corrective Action**

Finance staff will be briefed and an updated system of check and balances will be instituted to ensure that all deposits are made within the Court's policy.

Bank reconciliations will be checked monthly to ensure that all staled dated items are adjusted as required before management's approval.

Effective June 2019, the journal entry form was updated to reflect the preparer's name.

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

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**(CONTINUED)**

*Current Year's Other Matters, Continued*  
**2018**

**Reference Number**

OM 2018-002

**Criteria**

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

**Condition**

Our review of electronic cash transfers executed by **OPJC's** banker during the year ended December 31, 2018 revealed the transfer of funds between two bank accounts based on a memorandum dated October 31, 2012 initiated by a former **OPJC's** fiscal administrator.

**Context**

Total unrestricted cash at December 31, 2018 was \$830,377.

**Effect or Potential Effect**

Potential for misappropriation of funds.

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

---

**(CONTINUED)**

*Current Year's Other Matters, Continued*  
**2018**

**Reference Number, Continued**

OM 2018-002

**Cause**

Lack of an approved formal policy to support bank transfer activities.

**Recommendation**

In the absence of an approved En Banc resolution, we recommend that management review the current transfer practice with an aim towards a recommendation to the En Banc to address the execution of a formal agreement to include dollar threshold levels.

**Management's Response and Planned Corrective Action**

This matter is set to be presented to the Judges' at the July 2019 En Banc meeting to resolve by issuing a formal bank resolution.

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

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**(CONTINUED)**

*Current Year's Other Matters, Continued*  
**2018**

**Reference Number**

OM 2018-003

**Criteria**

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

**Condition**

Our testwork performed on new hires revealed an instance where the employee/contractor file lacked evidence of a background check and/or drug testing performed at point of hire.

**Context**

Total on behalf and other salaries and fringe benefits for the year ended December 31, 2018 were \$2,671,592.

**Effect or Potential Effect**

Potential for noncompliance with policy.

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

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**(CONTINUED)**

*Current Year's Other Matters, Continued*  
**2018**

**Reference Number, Continued**

OM 2018-003

**Cause**

Lack of established procedures and processes to ensure the completeness in human resource activities.

**Recommendation**

We recommend that management revisit its current human resource policy requirements for new hires to ensure its completeness.

**Management's Response and Planned Corrective Action**

Management will re-assess its current human resources requirement for employees and/or contractors and update the Court's policy accordingly to ensure the completeness of information contained in Human Resource files.

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

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**(CONTINUED)**

*Status of Prior Year's Other Matters*  
2017

No prior year's other matters were reported for the year ended December 31, 2018.

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

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(CONTINUED)

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

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

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

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019

ORLEANS PARISH JUVENILE COURT  
INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2018



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA  
Joseph A. Akanji, CPA

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

---

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

We have performed the procedures enumerated below, which were agreed to by **Orleans Parish Juvenile Court (OPJC)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the year ended December 31, 2018. **OPJC's** management is responsible for those control and compliance identified in the SAUP.

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

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

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

**Written Policies and Procedures**

**1. Procedure**

We obtained OPJC's written policies and procedures and observed that the policies and procedures addressed each of the following categories and sub-categories:

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

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

**It is our understanding through discussions with management that OPJC has selected procurement activities under the umbrella of the City of New Orleans to include contracts executed annually based on approved budgets for program service deliverables.**

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

***Written Policies and Procedures, Continued***

**1. Procedure, Continued**

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

**Finding**

**No exceptions noted.**

- d) Receipts including receiving, recording, and preparing deposits. Also, policies and procedures should include management actions to determine the completeness of all collections for each type of revenue.

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted. The judges En Banc approves OPJC's annual budget plan to include contracts.**

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

**Written Policies and Procedures, Continued**

**1. Procedure, Continued**

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

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

**Collections**

**2. Procedure**

We obtained a listing of deposit sites for the year ended December 31, 2018 where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We selected the only deposit site.

**Finding**

**No exceptions noted.**

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

***Collections; Continued***

**3. Procedure**

For the deposit site selected, we obtained a listing of all collection location and management's representation that the listing is complete. We selected the only collection location for the deposit site, obtained and inspected written policies and procedures relating to employee job duties at the collection location, and observed that job duties are properly segregated at the collection location such that:

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

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

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

**Collections, Continued**

**3. Procedure, Continued**

- 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.

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

**4. Procedure**

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

**Finding**

**No exceptions noted.**

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

***Collections, Continued***

**5. Procedure**

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

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

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

- d) We observed that the deposit was made within one business day of receipt at the collection location.

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

**Collections, Continued**

**5. Procedure, Continued**

**Finding**

**For two (2) cash collections of the ten (10) reviewed, we noted that the deposits were made outside of OPJC's policy of within two (2) days.**

**Management's Response**

One of the two (2) collection items were for an amount less than \$200.00. The Court's policy states that if more than \$200 in cash is received, it will be deposited on the day received if possible. If not, then the deposit will be made on the following day. In this particular matter, the cash receipts was included with other deposit receipts on the 3<sup>rd</sup> day.

The second deposit item involved the Court's fee associated with the return of a bond. The check payable to the Court was held beyond the required number of days due to the failure of the individual to pick up the bond refund.

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

**Finding**

**No exceptions noted.**

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

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**6. Procedure**

We obtained a listing of locations that process payments for the year ended December 31, 2018 and management's representation that the listing is complete. We selected the only location.

**Finding**

**No exceptions noted.**

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

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

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**7. Procedure**

For the location selected under #6 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:

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

Finding

**No exceptions noted.**

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

Finding

**No exceptions noted.**

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

Finding

**No exceptions noted.**

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

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

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

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**7. Procedure, Continued**

Finding

**No exceptions noted.**

**8. Procedure**

For the location selected under #6 we, obtained the **OPJC's** non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected five (5) disbursements for the location, obtained supporting documentation for each transaction and:

- a) We observed that the disbursement matched the related original invoice/billing statement.

Finding

**No exceptions noted.**

- b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #7, as applicable.

Finding

**No exceptions noted**

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

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

**9. Procedure**

We obtained from management a listing of all travel and travel-related expense reimbursements during the year ended December 31, 2018 and management's representation that the listing or general ledger is complete. We randomly selected five (5) reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected:

- 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.

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

- c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

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

**9. Procedure, Continued**

- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Finding**

**No exceptions noted.**

**Payroll and Personnel**

**10. Procedures**

We obtained a listing of employees/elected officials employed during the year ended December 31, 2018 and management's representation that the listing is complete. We randomly selected five (5) employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

**Finding**

**No exceptions noted.**

**11. Procedures**

We randomly select one pay period during the year ended December 31, 2018. For the five (5) employees/officials selected under #10 above, we obtained attendance records and leave documentation for the pay period, and:

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

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

***Payroll and Personnel, Continued***

**11. Procedure, Continued**

**Finding**

**No exceptions noted**

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

**Finding**

**No exceptions noted.**

- c) We observed that any leave accrued or taken during the pay period is reflected in OPJC's cumulative leave records.

**Finding**

**No exceptions noted.**

**12. Procedure**

We obtained a listing of those employees/officials that received termination payments during the year ended December 31, 2018 and management's representation that the list is complete. We randomly select two (2) employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulative leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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

***Payroll and Personnel, Continued***

**12. Procedures, Continued**

Finding

**No exceptions noted.**

**13. Procedures**

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

Finding

**No exceptions noted.**

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

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

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

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019