
JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2018

RICHARD  CPAS

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2018

JUVENILE COURT FOR THE PARISH OF JEFFERSON

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Juvenile Court for the Parish of Jefferson (the Court), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the 2018 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and pages 28 through 30 be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2019, on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 17, 2019

FINANCIAL SECTION

JUVENILE COURT FOR THE PARISH OF JEFFERSON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

As financial management of the Juvenile Court for the Parish of Jefferson (The "Court"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Court for the fiscal year ending December 31, 2018. This discussion and analysis is designed to assist the reader with focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements taken as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the Court exceeded its liabilities at the close of the most recent fiscal year by \$4,602,587 (net position). Of this amount, \$2,147,826 is unrestricted net position, which may be used to meet the Court's ongoing obligations to citizens and creditors.
- The Court's net position increased by \$253,643 during the year ended December 31, 2018.
- As of the close of the current fiscal year, the Court's governmental funds reported combined ending fund balance of \$2,161,219.
- During the year ended December 31, 2018, capital project expenditures of \$611,273 primarily for courthouse improvements are recorded in the fund financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

JUVENILE COURT FOR THE PARISH OF JEFFERSON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

JUVENILE COURT FOR THE PARISH OF JEFFERSON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

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

Net Position

The most significant component of the Court's net position is the unrestricted balance of \$2,147,826 and this may be used to meet the government's ongoing obligations to its citizens and creditors. The remaining balance is net investment in capital assets which totaled \$2,441,368 as of December 31, 2018.

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

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 2,612,475	\$ 2,565,406
Capital assets	<u>2,441,368</u>	<u>1,964,185</u>
Total assets	<u>5,053,844</u>	<u>4,529,591</u>
Current liabilities	<u>451,257</u>	<u>180,647</u>
Total liabilities	<u>451,257</u>	<u>180,647</u>
Net position:		
Net investment in capital assets	2,441,368	1,964,185
Restricted	13,393	12,766
Unrestricted	<u>2,147,826</u>	<u>2,371,993</u>
	<u>\$ 4,602,587</u>	<u>\$ 4,348,944</u>

All investments were held with the Louisiana Asset Management Pool (LAMP). Investments totaled \$1,667,720 as of December 31, 2018, which represents a \$31,570 increase from the previous year. Grants receivable totaled \$294,596 which is related to grant reimbursements outstanding as of December 31, 2018. The increase in grants receivable is due primarily to an increase in the amount of grant reimbursements outstanding as of December 31, 2018. The cash balance as of December 31, 2018 was \$595,867 which represents a decrease of \$25,486 or 4%. This decrease is primarily related to courthouse renovations.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

The analysis below will focus on key elements of the Court's financial activities for the years ended December 31, 2018 and 2017

Governmental Activities

During the current fiscal year, net position for governmental activities increased by \$253,376 or 6%. Unrestricted net position decreased by \$224,167 or 9% for the year ended December 31, 2018.

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

	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues		
Charges for services	\$ 1,282,860	\$ 1,349,927
Operating grants and contributions	828,969	655,779
General revenues	<u>4,156,108</u>	<u>4,071,260</u>
Total revenues	6,267,937	6,076,966
Expenses		
Judicial Expense	5,086,422	4,968,690
Drug Court Program	212,574	193,729
FINS Assistance Program	<u>715,298</u>	<u>664,563</u>
Total expenses	<u>6,014,294</u>	<u>5,826,982</u>
Change in net position	253,643	249,984
Net position, beginning of year	<u>4,384,944</u>	<u>4,098,960</u>
Net position, end of year	<u>\$ 4,602,587</u>	<u>\$ 4,348,944</u>

Total revenues increased by \$190,971 from \$6,076,966 in 2017 to \$6,267,397 in 2018. The increase in revenues was due primarily to an increase in grant funds received from Title IV-E reimbursements.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Judicial Expense Fund - Total revenues increased by \$292,306 or 6% from 2017 to 2018. The increase is due to an increase in grant revenues for Title IV-E program. Title IV-E grant revenue increased by \$294,181, which was partially offset by a net decrease in other revenues of \$1,875. Total expenses increased by \$131,627 or 2% from 2017 to 2018.

Drug Court Fund - Total revenues increased \$67,866 or 51% from 2017 to 2018. The increase is due to an increase in Supreme Court grant dedication in 2018 and increased Title IV-E dedication to Drug Court. Total expenses increased \$19,287 or 7% from 2017 to 2018.

FINS Fund - Total revenues decreased by \$18,762 or 3% from 2017 to 2018. Total expenses increased \$50,735 or 8% from 2017 to 2018.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Budgetary Highlights

The original budget adopted by the Judicial Expense Fund and the Special Revenue Funds was amended during the fiscal year for changes in various operating and administrative expenditures necessary for the operation of the Court. The Judicial Expense Fund budget accounts for expenditures made on the Court's behalf by the Jefferson Parish Council, federal grant revenues, and interest on investments, and consulting fees relating to Title IV-E that are not specifically allocated to the special revenue funds. The budgeted revenues and other financing sources were more than final actual revenues and other financing sources by \$47,223 primarily due to the amount budgeted for the on-behalf payment from the Parish of Jefferson was less than the actual paid. Administrative expenses were \$164,446 less than budgeted, of which \$19,652 was related to the lower than budgeted amount received by the Parish of Jefferson. Additionally, budgeted revenues and other financing sources were less than final actual revenues and other financing sources due to the decrease in grant revenue and fines and fees revenue in the amount of \$12,915 and \$18,228, respectively.

Capital Assets

The Court's investment in capital assets, net of accumulated depreciation, amounts to \$2,441,368 as of December 31, 2018. Capital assets include building improvements, equipment, and furniture. Major capital asset events during the current fiscal year included courthouse improvements and equipment. The renovated areas include public restrooms, staff break rooms, courtrooms, waiting areas and kitchenettes. The Court is not responsible for any infrastructure.

Economic Outlook, FY 2019 Budgets, and Funding Issues

During 2018, management did not request any additional positions from the General fund to be included in the allocation of costs from Jefferson Parish, which pays for the vast majority of the Court's personnel costs. Intergovernmental revenues are expected to remain consistent in 2019. In 2018, the Parish offered a 5% merit pay increase to eligible employees. In 2019, the Parish will offer merit pay increases of 5%.

Title IV-E funding is allocated to special revenue funds. The amount anticipated in reimbursements has steadily increased over the past two years due to additional training and better documentation in determining eligibility status. Title IV-E revenue is expected to continue on this pattern throughout 2019.

Temporary Assistance to Needy Families (TANF) funding represents the major source of funds for Drug Court and is expected to remain unchanged in 2019. Families in Need of Services funding is expected to remain unchanged in 2019.

Capital outlays remained consistent in 2018 and are anticipated to decrease in 2019. The Judges have appropriated funds to cover special maintenance projects for the courthouse.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Request for information

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

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 595,867
Investments	1,667,720
Grant receivable	294,596
Prepays	54,293
Capital assets, net of accumulated depreciation	<u>2,441,368</u>
Total assets	<u>5,053,844</u>
<u>LIABILITIES:</u>	
Accounts payable	441,754
Unearned revenue- grant	<u>9,503</u>
Total liabilities	<u>451,257</u>
<u>NET POSITION:</u>	
Net investment in capital assets	2,441,368
Restricted	13,393
Unrestricted	<u>2,147,826</u>
Total net position	<u><u>\$ 4,602,587</u></u>

See accompanying notes to the financial statements

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:					
Judicial Expense	\$ 5,086,422	\$ 1,281,975	\$ 392,610	\$ (3,411,837)	\$ (3,411,837)
Drug Court Program	212,574	885	199,364	(12,325)	(12,325)
FINS Assistance Program	715,298	-	236,995	(478,303)	(478,303)
Total governmental activities	<u>6,014,294</u>	<u>1,282,860</u>	<u>828,969</u>	<u>(3,902,465)</u>	<u>(3,902,465)</u>
		General revenues:			
				4,124,797	4,124,797
				31,569	31,569
				(258)	(258)
			Total general revenues	<u>4,156,108</u>	<u>4,156,108</u>
			Change in net position	253,643	253,643
			Net position-beginning	<u>4,348,944</u>	<u>4,348,944</u>
			Net position-ending	<u>\$ 4,602,587</u>	<u>\$ 4,602,587</u>

See accompanying notes to the financial statements

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Judicial Expense Fund	Drug Court Expense Fund	FINS Assistance Center Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 568,743	\$ 3,029	\$ 24,095	\$ 595,867
Investments	1,667,720	-	-	1,667,720
Grant receivable	279,790	14,806	-	294,596
Prepays	53,593	700	-	54,293
	<u>53,593</u>	<u>700</u>	<u>-</u>	<u>54,293</u>
Total assets	<u>\$ 2,569,846</u>	<u>\$ 18,535</u>	<u>\$ 24,095</u>	<u>\$ 2,612,476</u>
<u>LIABILITIES</u>				
Accounts payable	422,020	6,990	12,744	\$ 441,754
Unearned revenue- grant	-	9,503	-	9,503
	<u>-</u>	<u>9,503</u>	<u>-</u>	<u>9,503</u>
Total liabilities	<u>422,020</u>	<u>16,493</u>	<u>12,744</u>	<u>451,257</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Unavailable revenue- grant	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Nonspendable	53,593	-	-	53,593
Restricted	-	2,042	11,351	13,393
Committed	1,667,720	-	-	1,667,720
Unassigned	426,513	-	-	426,513
	<u>426,513</u>	<u>-</u>	<u>-</u>	<u>426,513</u>
Total fund balances	<u>2,147,826</u>	<u>2,042</u>	<u>11,351</u>	<u>2,161,219</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,569,846</u>	<u>\$ 18,535</u>	<u>\$ 24,095</u>	<u>\$ 2,612,476</u>

See accompanying notes to the financial statements

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total governmental fund balances \$ 2,161,219

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets are not reported in the fund financial statements because they
are not current financial resources, but they are reported in the statement of net position 2,441,368

Net position of governmental activities \$ 4,602,587

See accompanying notes to the financial statements

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

	Judicial Expense Fund	Drug Court Expense Fund	FINS Assistance Center Fund	Total Governmental Funds
<u>REVENUES</u>				
Costs, fees and fines	\$ 1,281,975	\$ 885	\$ -	\$ 1,282,860
Grant revenues	422,085	199,364	112,092	733,541
Intergovernmental	3,825,094	-	519,645	4,344,739
Interest income	31,569	-	-	31,569
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	5,560,723	200,249	631,737	6,392,709
<u>EXPENDITURES</u>				
Current				
Administrative	4,816,169	-	12	4,816,181
Program	136,862	212,133	715,286	1,064,281
Capital outlay	611,273	-	-	611,273
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,564,304	212,133	715,298	6,491,735
Excess of expenditures over revenues	(3,581)	(11,884)	(83,561)	(99,026)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	12,771	83,301	96,072
Operating transfers out	(96,072)	-	-	(96,072)
Total other financing sources (uses)	(96,072)	12,771	83,301	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(99,653)	887	(260)	(99,026)
Fund balance-beginning	2,247,479	1,155	11,611	2,260,245
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance-ending	\$ 2,147,826	\$ 2,042	\$ 11,351	\$ 2,161,219
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the financial statements

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Excess (deficiency) of revenues and other sources over (under) expenditures and other uses per fund financial statements	\$	(99,026)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their useful lives and reported as depreciation expense in the current period.

Capital outlay	\$	611,273	
Loss on disposal		(258)	
Depreciation expense		<u>(133,832)</u>	477,183

Revenues or inflows in the statement of activities that did not provide current financial resources were not reported as revenues in the governmental funds in the prior year. This represents the change in deferred inflows.		<u>(124,514)</u>
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Change in net position of governmental activities	\$	<u><u>253,643</u></u>
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See accompanying notes to the financial statements

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2018

	<u>Support Enforcement Fund</u>	<u>Fees and Assessments Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 18,525	\$ 45,010	\$ 63,535
Accounts receivable	-	119	119
	<u>\$ 18,525</u>	<u>\$ 45,129</u>	<u>\$ 63,654</u>
<u>LIABILITIES</u>			
Accounts payable	18,525	4,852	\$ 23,377
Escrow liability	-	27	27
Bond liability	-	40,250	40,250
	<u>\$ 18,525</u>	<u>\$ 45,129</u>	<u>\$ 63,654</u>

See accompanying notes to the financial statements

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies

Reporting Entity

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

In evaluating how to define the reporting entity, for financial statement purposes management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component units board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

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

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

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

Fund financial statements are provided for governmental and fiduciary funds.

The Court reports the following fund types:

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (continued)

Basic Financial Statements Fund Financial Statements (FFS)

Governmental Funds

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

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

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

Fiduciary Funds

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

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

Basis of Accounting

Accrual

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

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

Modified Accrual

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

Other Financing Sources (Uses)

Other financing sources (uses) consist of transfers between funds that are not expected to be repaid. These other financing sources (uses) are recognized at the time the underlying events occur. When both restricted and unrestricted resources are available for use, it is the Court’s policy to use restricted resources first, and then unrestricted resources as needed.

Budgets

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

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

The Judicial Expense Fund accounts for expenditures made on the Court’s behalf by the Jefferson Parish Council and the Louisiana Supreme Court. These expenditures are budgeted by the Jefferson Parish Council and the Louisiana Supreme Court and expenditures are made at their discretion. During 2018, on behalf payments of \$4,124,797 are recorded in the financial statements of the Court.

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

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents and Investments

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

Investments are stated at fair value.. These are classified as investments if the original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, which approximates fair value. The Louisiana Asset Management Pool (LAMP) investment, which is an external investment pool administered by a non-profit corporation organized under State of Louisiana law, is reported at net asset value.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements, and capital outlays that significantly extend the useful life of an asset are capitalized. The Court has a capitalization threshold of \$1,000. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

Accrued Annual and Sick Leave

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

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (continued)

Accrued Annual and Sick Leave (continued)

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

All eligible employees' salaries are paid by the Jefferson Parish Council and except as described below, accruals relating to vacation leave are included in the financial statements of the Council. At December 31, 2018, included in accounts payable is \$11,934 for employee annual and sick leave for FINS that is the responsibility of the Court.

Unearned Revenue

Unearned revenue consists of grant revenues not yet expended.

Deferred Inflow of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2018, the Court recognized had no deferred inflows of resources.

Fund Balance

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

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. Committed Fund Balance – amounts constrained to specific purposes by a government itself, using its highest level of decision making authority by a vote of the Judges of the Court; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
4. Assigned Fund Balance – amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as the Court and its management. The Court had no assigned fund balance as of December 31, 2018.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (continued)

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

Net Position

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

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

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

Interfund Transactions

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

Accounting Estimates

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

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. Cash and Cash Equivalents

At December 31, 2018, the Court has cash and cash equivalents as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Demand deposits	\$ 595,267	\$ 63,535	\$ 658,802
Cash on hand	600	-	600
Total	<u>\$ 595,867</u>	<u>\$ 63,535</u>	<u>\$ 659,402</u>

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

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it under state law. At December 31, 2018, the Court's deposits had a carrying amount of \$659,402 and a bank balance of \$740,867, of which \$250,000 was covered by federal depository insurance and \$500,073 was covered by collateral held in the name of the pledging fiscal agent bank in a holding or custodial bank.

3. Investments

The \$1,667,720 of investments consist solely of funds held with LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

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

- Credit Risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7- like pools.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

3. Investments (continued)

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

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

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

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130.

4. Capital Assets

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

	Balance at January 1, 2018	Additions	Retirements	Balance at December 31, 2018
Office	\$ 564,647	\$ 59,454	\$ (50,261)	\$ 573,840
Construction in progress	-	459,405	-	459,405
Building	2,664,102	92,414	-	2,756,516
Total	3,228,749	611,273	(50,261)	3,789,761
Accumulated depreciation	(1,264,564)	(133,832)	50,003	(1,348,393)
Capital assets, net	<u>\$ 1,964,185</u>	<u>\$ 477,441</u>	<u>\$ (258)</u>	<u>\$ 2,441,368</u>

Depreciation expense for the year ending December 31, 2018 totaled \$133,832. Following is a schedule of depreciation amounts charged to each function in the statement of activities:

Judicial Expense	\$ 133,391
Drug Court	441
	<u>\$ 133,832</u>

The construction in progress related to a project to upgrade the HVAC and mechanical systems in the Courthouse. The Court had a remaining commitment under terms of the contract in the amount of \$430,595 at December 31, 2018. The project is expected to be completed in 2019.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

5. Expenses of the Court Paid by Others

Salaries, wages, and related benefits of individuals working for the Court, along with insurance and miscellaneous expenditures, are paid by Jefferson Parish. The Judges of the Court receive compensation from the State of Louisiana Judicial Branch, at a rate determined by state statute. Payroll and related expenditures of \$4,124,797 were paid by Jefferson Parish and the State of Louisiana on behalf of the Court for the year ended December 31, 2018 and are included in the accompanying financial statements of the Judicial Expense Fund.

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

6. Child Support Court Costs

The Court collects court costs under the provisions of the Louisiana Children's Code, specifically LSA-Ch. C. art 405D. Under the provisions of this statute, effective July 31, 1995, the Court assesses and collects court costs equal to 5% of all periodic child support payments paid through the registry of the Court. These payments are made by the paying parents in addition to their normal child support payment. Effective April 1, 2000, this statute was amended and requires all child support payments to be sent to one central address in the State. Court costs are remitted to the Court from the State once a month for payments made on their behalf. For the year ending December 31, 2018, the Court received \$1,267,578 from the State in Child Support court costs located on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds in the Judicial Expense Fund.

7. Economic Dependency

The Court receives the majority of its revenue from funds provided through the Parish of Jefferson, the State of Louisiana, and the federal government. The grant amounts and funding are appropriated each year by the respective governmental agency. If significant budget cuts are made at the federal, state, or local level, the amount of funds the Court receives could be reduced significantly and have an adverse impact on its operations.

For the year ended December 31, 2018, \$422,085 of the Court's grant revenues were from the U.S. Department of Health and Human Services (Title IV-E funds).

JUVENILE COURT FOR THE PARISH OF JEFFERSON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. Contingency

The Court participates in a number of federal and state programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Court has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2018 might be impaired. In the Court's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds.

9. Fund Balance

Non-Spendable Fund Balance- The non-spendable fund balance is made up of prepaid expenditures from the Judicial Expense Fund, totaling \$53,593 that is not in spendable form.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - JUDICIAL EXPENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Cost, fees & fines	\$ 1,358,300	\$ 1,300,200	\$ 1,281,975	\$ (18,225)
Grant revenues	170,000	435,000	422,085	(12,915)
Intergovernmental	3,289,958	3,274,958	3,255,306	(19,652)
Interest income	12,450	28,000	31,569	3,569
Total	<u>4,830,708</u>	<u>5,038,158</u>	<u>4,990,935</u>	<u>(47,223)</u>
Expenditures				
Current:				
Administrative	4,433,947	4,410,847	4,246,381	164,466
Program	140,000	140,000	136,862	3,138
Capital outlay	600,000	600,000	611,273	(11,273)
Total expenditures	<u>5,173,947</u>	<u>5,150,847</u>	<u>4,994,516</u>	<u>156,331</u>
Excess (deficiency) of revenues over (under) expenditures	(343,239)	(112,689)	(3,581)	109,108
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(125,000)	(117,500)	(96,072)	21,428
Total other financing sources (uses)	<u>(125,000)</u>	<u>(117,500)</u>	<u>(96,072)</u>	<u>21,428</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	(468,239)	(230,189)	(99,653)	<u>\$ 130,536</u>
Fund balance, beginning of year	<u>2,247,479</u>	<u>2,247,479</u>	<u>2,247,479</u>	
Fund balance, end of year	<u>\$ 1,779,240</u>	<u>\$ 2,017,290</u>	<u>\$ 2,147,826</u>	

Note: The Actual on a Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that on-behalf payments for the Judges salaries (\$569,788) are not reflected above in revenues and expenditures.

See accompanying independent auditors' report.

SCHEDULE 1

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DRUG COURT EXPENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Cost, fees & fines	\$ 700	\$ 900	\$ 885	\$ (15)
Grant revenues	126,500	177,500	199,364	21,864
Total	<u>127,200</u>	<u>178,400</u>	<u>200,249</u>	<u>21,849</u>
Expenditures				
Current:				
Program	187,200	208,400	212,133	(3,733)
Total expenditures	<u>187,200</u>	<u>208,400</u>	<u>212,133</u>	<u>(3,733)</u>
Excess (deficiency) of revenues over (under) expenditures	(60,000)	(30,000)	(11,884)	18,116
Other financing sources (uses)				
Operating transfers in	60,000	30,000	12,771	(17,229)
Total other financing sources (uses)	<u>60,000</u>	<u>30,000</u>	<u>12,771</u>	<u>(17,229)</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	-	-	887	<u>\$ 887</u>
Fund balance, beginning of year	1,155	1,155	1,155	
Fund balance, end of year	<u>\$ 1,155</u>	<u>\$ 1,155</u>	<u>\$ 2,042</u>	

See accompanying independent auditors' report.

SCHEDULE 2

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - FINS ASSISTANCE CENTER EXPENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Grant revenues	\$ 112,092	\$ 112,092	\$ 112,092	\$ -
Intergovernmental	525,000	525,000	519,645	(5,355)
Total	<u>637,092</u>	<u>637,092</u>	<u>631,737</u>	<u>(5,355)</u>
Expenditures				
Current:				
Program	702,092	724,592	715,298	9,294
Total expenditures	<u>702,092</u>	<u>724,592</u>	<u>715,298</u>	<u>9,294</u>
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(87,500)	(83,561)	3,939
Other financing sources (uses)				
Operating transfers in	65,000	87,500	83,301	(4,199)
Total other financing sources (uses)	<u>65,000</u>	<u>87,500</u>	<u>83,301</u>	<u>(4,199)</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	-	-	(260)	\$ (260)
Fund balance, beginning of year	11,611	11,611	11,611	
Fund balance, end of year	<u>\$ 11,611</u>	<u>\$ 11,611</u>	<u>\$ 11,351</u>	

See accompanying independent auditors' report.

SCHEDULE 3

ADDITIONAL SUPPLEMENTARY INFORMATION

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name: Honorable Andrea Price Janzen, Judge, Section B

Purpose	Amount
Salary	\$ -
Benefits - health insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - liability insurance	3,139
Benefits - life insurance	-
Benefits - long term disability	-
Benefits - FICA & medicare	-
Car allowance	-
Vehicle provided by the agency	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel - mileage	1,212
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other - continuing professional education fees	<u>316</u>
Total	<u>\$ 4,667</u>

See accompanying independent auditors' report

SCHEDULE 4

OTHER REPORT



**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Juvenile Court for the Parish of Jefferson (the Court) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued our report thereon dated June 17, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-1 that we consider to be a significant deficiency.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Compliance and Other Matters

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

The Court's Response to the Finding

The Court's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Court'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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 17, 2019

JUVENILE COURT FOR THE PARISH OF JEFFERSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

1. Summary of Independent Auditors' Results

Financial Statements

(a) The type of report issued on the basic financial statements: **Unmodified**

(b) Internal control over financial reporting:

Material weakness(es) identified: **None reported**

Significant deficiency(ies) identified: **Yes**

(c) Noncompliance which is material to the basic financial statements: **None reported**

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

2018-01 Misappropriation of assets

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	On March 12, 2018 a fraudulent email was received by the Accounting Director, Tammy Griffith, allegedly from Chief Judge Andrea Price Janzen requesting payment to a Myron Disher for "professional services" in the amount of \$9,320.00. After conversing with the Judicial Administrator, Dawn Palermo, it was decided to process the payment. It was not until the Accounting Department received a second fraudulent payment request on Thursday, March 15, 2018, that it was discovered that neither email came from Judge Janzen.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Judicial Expense Fund.
3	The amount of funds or approximate value of assets involved.	Nine thousand three hundred twenty dollars and no cents. (\$9,320.00)
4	The department or office in which the fraud or misappropriation occurred.	Accounting Department.
5	The period of time over which the fraud or misappropriation occurred.	The day of Monday, March 12, 2018.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

2. **Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards (continued)***

2018-01 Misappropriation of assets (continued)

#	ELEMENT OF FINDING	RESPONSE
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	An unknown outside person/entity through a fraudulent email.
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Not applicable.
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	Not applicable.
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	Not applicable.
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes, both local (JPSO) and federal (FBI) law enforcement agencies were notified.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	The Jefferson Parish Sheriff's Office was able to locate the funds and reimburse our court seven thousand four hundred forty-two dollars and twelve cents (\$7,442.12) of the nine thousand three hundred twenty dollars (\$9,320.00) that was paid through electronic fund transfer. The identity of the person/entity was not discovered. The investigation is now closed.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	Charges cannot be filed because the person/entity's identity was not discovered.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	Not applicable.

JUVENILE COURT FOR THE PARISH OF JEFFERSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards (continued)*

2018-01 Misappropriation of assets (continued)

#	ELEMENT OF FINDING	RESPONSE
14	Has restitution been made or has an insurance claim been filed?	Yes, the Jefferson Parish Sheriff's Office was able to locate the funds and reimburse our court seven thousand four hundred forty-two dollars and twelve cents (\$7,442.12) of the nine thousand three hundred twenty dollars (\$9,320.00) that was paid through electronic fund transfer. No insurance claim has been filed to recover the remaining amount (\$1,877.88).
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	On the date the fraud was discovered, March 15, 2018, the Judicial Administrator, Dawn Palermo, contacted the Louisiana Legislative Auditor's Office by phone to inform them of what happened. The LLA's Office requested that the fraudulent emails be forwarded to them, which was done, and then Ms. Palermo was instructed to then complete an IC3 complaint form with the FBI and contact the local sheriff's office which she did. The LLA's Office gave no instruction to submit anything else in writing to them or the local District Attorney's office. However, the JPSO complaint (#C-11783-18) was forwarded to their Economic Crimes Division for investigation and follow-up with the local District Attorney's Office.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Not at the time of the fraud.
17	If the answer to the last question is "no," describe the control deficiency / significant deficiency / material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	The Chief Judge had authorization to request a wire transfer by email, however, at the time of the fraud there was no requirement that the invoice be attached to the email prior to payment authorization.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	Extensive changes to the court's Financial Policies and Procedures were put in place immediately after this event to prevent any similar occurrences from taking place including, but not limited to: <ul style="list-style-type: none">• Checking email addresses on all payment requests to ensure they originated from a Court email account.• Verifying all requests for payment with the individual who made the request.• Making sure all requests for payment have a duly authorized invoice attached request prior to approval.• Any request for payment requires two administrators; the first to authorize the payment request; and, the second to approve the processed payment through the bank's website.

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2018

RICHARD  CPAS

JUVENILE COURT FOR THE PARISH OF JEFFERSON
HARVEY, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2018

JUVENILE COURT FOR THE PARISH OF JEFFERSON

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Independent Accountant's Report
On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated in Schedule A, which were agreed to by the Jefferson Parish Juvenile Court and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Court's management is responsible for those C/C areas identified in the SAUPs.

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

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

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

Richard CPAS

Metairie, Louisiana
June 17, 2019

JUVENILE COURT FOR THE PARISH OF JEFFERSON

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2018

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

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

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

A listing of credit cards was provided by the Court and included a total of 13 credit cards. No exceptions were noted as a result of performing this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

RICHARD CPAS selected 5 credit cards and performed the procedures noted below.

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

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

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

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

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

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