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**EAST BATON ROUGE PARISH
JUVENILE COURT**

BATON ROUGE, LOUISIANA

DECEMBER 31, 1999

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and to the appropriate public officials. The report is available for review at the Baton Rouge office of the auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 19 2000

L.A. CHAMPAGNE & CO., L.L.P.

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INDEPENDENT AUDITOR'S REPORT

Honorable Judges of the
East Baton Rouge Parish Juvenile Court

We have audited the accompanying general purpose financial statements of the East Baton Rouge Parish Juvenile Court as of December 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the East Baton Rouge Parish Juvenile Court's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the East Baton Rouge Parish Juvenile Court as of December 31, 1999, and the results of its operations and the changes in fund balances for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2000, on our consideration of the East Baton Rouge Parish Juvenile Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


April 8, 2000

**EAST BATON ROUGE PARISH JUVENILE COURT
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS**

December 31, 1999

	Governmental Fund Type		Fiduciary Fund Type	Account Group			Totals (Memorandum only) 1999
	General	Special Revenue		General Fixed Assets	General Long-Term Debt		
ASSETS							
Cash	\$ 234,789	\$ 41,319	\$ 34,544	\$ -	\$ -	\$ -	\$ 310,652
Receivables:							
Intergovernmental:							
City-Parish	37,755	-	-	-	-	-	37,755
Louisiana Office of Addictive Disorders	5,317	-	-	-	-	-	5,317
Louisiana Commission on Law Enforcement	378	-	-	-	-	-	378
Other	7,236	-	-	-	-	-	7,236
Due from other funds	50	739	-	-	-	-	789
Fixed assets	-	-	-	372,650	-	-	372,650
Other debits:							
Amounts to be provided for retirement of long-term debt	-	-	-	-	101,392	-	101,392
Total assets and other debits	\$ 285,525	\$ 42,058	\$ 34,544	\$ 372,650	\$ 101,392	\$ -	\$ 836,169

Continued

	Governmental Fund Type		Fiduciary	Account Group			Totals
	General	Special Revenue	Fund Type Agency	General Assets	General Long-Term Debt	(Memorandum only) 1999	
LIABILITIES AND FUND EQUITY							
CURRENT LIABILITIES							
Accounts payable	\$ 10,946	\$ -	\$ 2,365	\$ -	\$ -	\$ 13,311	
Bail bond deposits	-	-	29,640	-	-	29,640	
Due to other governmental agencies	11,923	-	2,480	-	-	14,403	
Due to other funds	680	50	59	-	-	789	
Accrued salaries and related expense	8,626	-	-	-	-	8,626	
LONG-TERM LIABILITIES							
Accrued compensated absences	-	-	-	-	101,392	101,392	
Total liabilities	<u>32,175</u>	<u>50</u>	<u>34,544</u>	<u>-</u>	<u>101,392</u>	<u>168,161</u>	
FUND EQUITY							
Investment in general fixed assets	-	-	-	372,650	-	372,650	
Fund balances:							
Reserved for reparations to crime victims	-	42,008	-	-	-	42,008	
Unreserved-undesignated	253,350	-	-	-	-	253,350	
Total fund equity	<u>253,350</u>	<u>42,008</u>	<u>-</u>	<u>372,650</u>	<u>-</u>	<u>668,008</u>	
Total liabilities and fund equity	\$ <u>285,525</u>	\$ <u>42,058</u>	\$ <u>34,544</u>	\$ <u>372,650</u>	\$ <u>101,392</u>	\$ <u>836,169</u>	

See accompanying notes

**EAST BATON ROUGE PARISH JUVENILE COURT
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES**

For the year ended December 31, 1999

	Governmental Fund Type		Totals
	General	Special Revenue	(Memorandum only) 1999
REVENUES			
Intergovernmental:			
Grants:			
United States Department of Justice	\$ 7,719	\$ -	\$ 7,719
Louisiana Office of Addictive Disorders	17,317	-	17,317
Louisiana State Supreme Court	7,801		7,801
Louisiana Commission on Law Enforcement	1,428	-	1,428
Non-support fees	369,524	-	369,524
Juvenile traffic/crime fines	1,851	5,698	7,549
Interest	13,663	1,776	15,439
Miscellaneous	321	-	321
Total revenues	<u>419,624</u>	<u>7,474</u>	<u>427,098</u>

EXPENDITURES

Juvenile Court:

 Current:

 Court operations:

Salaries and benefits	8,889	-	8,889
Retirement	1,022	-	1,022
Professional services	45,635	-	45,635
Computer supplies	23,386	-	23,386
Office supplies	10,530	-	10,530
Travel	2,985	-	2,985
Miscellaneous	3,053	-	3,053

Continued

	Governmental Fund Type		Totals
	General	Special Revenue	(Memorandum only) 1999
Non-support program:			
Salaries and benefits	223,342	-	223,342
Retirement	21,296	-	21,296
Professional services	2,273	-	2,273
Computer supplies	147	-	147
Office supplies	8,926	-	8,926
Telephone	4,115	-	4,115
Bank service charges	4,641	15	4,656
Travel	4,677	-	4,677
Miscellaneous	850	-	850
Reparations to crime victims	-	5,849	5,849
Total current	<u>365,767</u>	<u>5,864</u>	<u>371,631</u>
Capital outlay:			
Computer equipment	91,305	-	91,305
Office equipment	1,210	-	1,210
Furniture and fixtures	786	-	786
Total capital outlay	<u>93,301</u>	<u>-</u>	<u>93,301</u>
Total expenditures	<u>459,068</u>	<u>5,864</u>	<u>464,932</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(39,444)</u>	<u>1,610</u>	<u>(37,834)</u>
Fund balance - beginning of year	292,794	40,398	333,192
Fund balance - end of year	<u>\$ 253,350</u>	<u>\$ 42,008</u>	<u>\$ 295,358</u>

See accompanying notes

**EAST BATON ROUGE PARISH JUVENILE COURT
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES**

For the year ended December 31, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Intergovernmental:						
Grants:						
United States Department of Justice	\$ 7,720	\$ 7,719	\$ (1)	\$ -	\$ -	\$ -
Louisiana Office of Addictive Disorders	12,000	17,317	5,317	-	-	-
Louisiana State Supreme Court	12,970	7,801	(5,169)	-	-	-
Louisiana Commission on Law Enforcement	9,600	1,428	(8,172)	-	-	-
Non-support fees	366,000	369,524	3,524	-	-	-
Juvenile traffic/crime fines	2,000	1,851	(149)	6,000	5,698	(302)
Interest	11,500	13,663	2,163	-	1,776	1,776
Miscellaneous	-	321	321	-	-	-
Total revenues	<u>421,790</u>	<u>419,624</u>	<u>(2,166)</u>	<u>6,000</u>	<u>7,474</u>	<u>1,474</u>
EXPENDITURES						
Current:						
Court operations:						
Salaries and benefits	9,650	8,889	761	-	-	-
Retirement	1,200	1,022	178	-	-	-

Continued

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Professional services	\$ 48,000	\$ 45,635	\$ 2,365	\$ -	\$ -	-
Computer supplies	24,050	23,386	664	-	-	-
Office supplies	13,625	10,530	3,095	-	-	-
Travel	3,080	2,985	95	-	-	-
Miscellaneous	1,250	3,053	(1,803)	-	-	-
Non-support program:						
Salaries and benefits	235,280	223,342	11,938	-	-	-
Retirement	22,500	21,296	1,204	-	-	-
Professional services	3,150	2,273	877	-	-	-
Computer supplies	500	147	353	-	-	-
Office supplies	10,700	8,926	1,774	-	-	-
Telephone	5,000	4,115	885	-	-	-
Bank service charges	5,500	4,641	859	-	15	(15)
Travel	5,800	4,677	1,123	-	-	-
Miscellaneous	1,275	850	425	-	-	-
Reparations to crime victims	-	-	-	6,000	5,849	151
Total current	<u>390,560</u>	<u>365,767</u>	<u>24,793</u>	<u>6,000</u>	<u>5,864</u>	<u>136</u>

Continued

	General Fund		Special Revenue Fund		Variance -
	Budget	Actual	Budget	Actual	Favorable (Unfavorable)
Capital outlay:					
Computer equipment	\$ 128,000	\$ 91,305	\$ -	\$ -	-
Office equipment	1,500	1,210	-	-	-
Furniture and fixtures	1,000	786	-	-	-
Total capital outlay	130,500	93,301	-	-	-
Total expenditures	521,060	459,068	6,000	5,864	136

EXCESS (DEFICIENCY) OF REVENUES OVER

EXPENDITURES	\$ (99,270)	(39,444)	\$ 59,826	\$ 1,610	\$ 1,610
Fund balances - beginning of year		292,794		40,398	
Fund balances - end of year		\$ 253,350		\$ 42,008	

See accompanying notes

EAST BATON ROUGE PARISH JUVENILE COURT NOTES TO FINANCIAL STATEMENTS

December 31, 1999

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The East Baton Rouge Parish Juvenile Court was established by a 1990 legislative act and is provided for under Louisiana Revised Statutes Sections 13:1621 through 13:1630. The Juvenile Court has jurisdiction regarding the interest of children alleged to be delinquent, abandoned, neglected, or otherwise in need of supervision or care.

The Court also carries on certain ancillary activities including those related to the expedited process for establishment and enforcement of child support obligations under RS 46:2365, the maintenance of a victim of juvenile crime compensation fund under RS 13:1561 and the maintenance of a court registry for appearance bond deposits under Article 825 of the Louisiana Children Code.

Financial reporting entity

As the governing authority of the consolidated government for reporting purposes, the City of Baton Rouge, Parish of East Baton Rouge (City-Parish) is the financial reporting entity for the consolidated government. The financial reporting entity consists of (a) a primary government (City-Parish), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, *The Reporting Entity*, established criteria for determining which component units should be considered part of the City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the primary government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The operations of the juvenile court system is fiscally dependent on the City-Parish for office space and courtrooms. The substance of the relationship between the juvenile court system and the City-Parish is that the City-Parish has approval authority over its operating and capital budget. Additionally, the nature and significance of the relationship between the juvenile court and the City-Parish is such that exclusion from the City-Parish's financial statements would render the financial statements incomplete or misleading. Because of these factors, the juvenile court was determined to be a component unit of the City of Baton Rouge, Parish of East Baton Rouge, the financial reporting entity. The accompanying financial statements present information only on the East Baton Rouge Parish Juvenile Court as noted below and do not present any other information on the City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Only the financial transactions resulting from certain ancillary activities of the Court not accounted for by the governing authority of the Parish of East Baton Rouge including those related to the expedited process for establishment and enforcement of child support obligations under RS 46:2365, the maintenance of a victim of juvenile crime compensation fund under RS 13:1561, the maintenance of a court registry for appearance bond deposits under Article 825 of the Louisiana Children Code, and the carrying out of other programs related to the administration of juvenile justice are reported in these financial statements.

Basis of presentation

The accompanying general purpose financial statements of the East Baton Rouge Parish Juvenile Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounts of the Court are organized on the basis of funds and account groups, each of which is a separate accounting entity. Funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate "fund types."

Governmental funds are used to account for general activities, including the collection and disbursement of earmarked monies (special revenue funds). The funds of the Court are described as follows:

The general fund is used to account for all activities of the Court not accounted for in some other fund particularly the operations related to enforcement of child support obligations.

The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, particularly the activities of the victims of juvenile crime compensation fund.

Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is used to account for assets held by the Court as an agent for individuals and other organizations.

Basis of accounting

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of these funds presents increases and decreases in net current assets.

The Court's governmental and agency funds are maintained on the modified accrual basis of accounting wherein 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. Expenditures are recorded when the related fund liability is incurred.

The fees for processing support payments are recognized in the period the payments are received, and fines are recognized when collected.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenues until earned.

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (-)uses.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and budgetary accounting

The East Baton Rouge Parish Juvenile Court follows these procedures in establishing the budgetary data reflected in the financial statements with regard to the general fund and special revenue funds:

- (1) In accordance with the Municipal Budget Act of the state of Louisiana, an operating budget is prepared for the general and special revenue funds at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- (2) The budget is available for public inspection at least fifteen days prior to the beginning of the fiscal year.
- (3) The budget is adopted after consideration of public comment, if any, and authorized for implementation on the first day of the fiscal year.
- (4) The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (5) The budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by character (personal services, group benefits, supplies, contractual services and capital outlay). Total expenditures constitute the legal level of control. Expenditures may not exceed the sum of appropriations plus the unreserved prior year fund balance. The budget may be revised during the year as estimates regarding revenues and expenditures change.
- (6) Appropriations lapse at the end of each fiscal year.

Fixed assets

Fixed assets are recorded as expenditures when acquired in the fund used to acquire them. The related assets are reported in the general fixed asset account group. All fixed assets are valued at historical cost and no depreciation is charged against them. Fixed assets reported herein include only those assets purchased by the Court, and do not reflect assets of the court obtained from other sources.

Long-term debt

Long-term liabilities including those for compensated absences financed from governmental funds are accounted for in the general long-term debt account group.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting (under which purchase orders, contracts, and other commitments for expenditures of resources are recorded to reserve that portion of the applicable appropriation) is not utilized by the Court. Encumbrances at year end, even if utilized, would not be considered expenditures in the financial statements presented on the GAAP basis. However, encumbrances would be considered part of the budgetary process and would be included in actual expenditures when a comparison with budget is necessary.

Compensated absences

Annual vacation leave accrues on a scale related to an employee's length of service. Annual leave may accumulate up to the number of days which can be earned during the five most recent years of employment limited to a maximum total accumulation of one hundred twenty (120) days. Annual leave is payable for actual vacation days and accumulations are payable upon termination, retirement or death.

Certain employees may accrue compensatory time in lieu of overtime payment for up to thirty (30) days. The compensatory leave is payable upon termination, retirement or death.

Sick leave accrues on the same basis as does annual vacation leave and may accumulate without limit. However sick leave is payable only upon absence from work for designated medical reasons. Accumulated sick leave is non-compensable.

In accordance with GASB Statement No. 16, which requires the accrual for vacation leave and compensatory time to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement, the Court has recorded a liability as of December 31, 1999 for 100% of the accrued vacation for each employee up to a maximum of 120 days and accrued compensatory time up to a maximum of 30 days at the employee's current rate of pay. Additionally, applicable percentages of retirement contribution, social security, and Medicare have been added to the above accruals.

GASB Statement No. 16 requires the accrual for accumulated sick leave only if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. Since accumulated sick leave is not compensable in any case, no amount has been accrued.

The amounts shown for fiscal year 1999 in the accompanying financial statements for accrued compensated absences represent a liability of the Court for all its employees except the judges and hearing officer because such compensation in excess of the City-Parish annual budget allowance would be paid out of Court funds. Management has determined that payments for accrued compensated absences will likely be paid from future years' resources; and, therefore, are reported in the general long-term debt account group.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Memorandum only - total columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position and results of operations in conformity with generally accepted accounting principles nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

B: CASH

Cash includes amounts held in demand deposit accounts. Under state law, the Court may deposit funds in interest-bearing or non-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.

At December 31, 1999, the Court had cash (book balances) as follows:

Interest-bearing demand deposits	\$ 278,232
Other demand deposits	32,120
Cash on hand	300

As required under GASB 3, the Court's cash deposits are categorized to give an indication of the level of risk assumed by the Court at year end. Category 1 includes deposits that are insured or registered, or otherwise secured by securities held by the Court or its agent in the Court's name. Category 2 includes uninsured and unregistered deposits secured with securities held by the financial institution, its trust department or agent in the Court's name. Category 3 includes uninsured and unregistered deposits secured with securities held by the financial institution, its trust department or agent, but not in the Court's name. At December 31, 1999, the bank balance of cash deposits are categorized as follows:

	Category			Bank
	1	2	3	Balance
Cash in bank	\$ 100,000	-	\$ 331,676	\$ 431,676

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the court that the fiscal agent has failed to pay deposited funds upon demand.

C: FIXED ASSETS

A summary of changes to fixed assets for the year ended December 31, 1999 is as follows:

	Computer Equipment	Office Equipment	Furniture and Fixtures	Total
Balance, beginning of year	\$ 297,071	\$ 22,787	\$ 29,650	\$ 349,508
Additions	91,305	1,210	786	93,301
Deletions	(70,159)			(70,159)
Balance, end of year	<u>\$ 318,217</u>	<u>\$ 23,997</u>	<u>\$ 30,436</u>	<u>\$ 372,650</u>

D: INTERFUND TRANSACTIONS

The following is a summary of amounts due from and due to other funds at December 31, 1999:

	<u>Due from</u>	<u>Due to</u>
General fund		
Special revenue fund	\$ 50	\$ 680
Special revenue fund		
General fund	680	50
Agency fund	59	
Agency fund		
Special revenue fund	-	59
	<u>\$ 789</u>	<u>\$ 789</u>

E: SALARY EXPENDITURES

The Court administers the payroll for all Juvenile Court employees excluding the judges. The City-Parish and the East Baton Rouge Parish Juvenile Court - Judicial Expense Fund reimburses the Court for those salaries disbursed by the court but appropriated in their respective budgets. The amounts shown in the accompanying financial statements are the actual salary expenditures of the Court and do not include any amounts for salaries reimbursed by the City-Parish or the Judicial Expense Fund.

F: PENSION PLANS

Plan Description

The East Baton Rouge Parish Juvenile Court contributes to the Employees' Retirement System, City of Baton Rouge and Parish of East Baton Rouge (the System) for all full time Juvenile Court employees except for those whose salaries are funded by the City-Parish or the Judicial Expense Fund, and the non-support hearing officer who is not a member of the System. The System is a defined-benefit, cost sharing, multiple employer pension plan that provides retirement benefits for all full-time City Parish employees and various related agencies and entities and is controlled and governed by a separate board of trustees. The System provides full retirement benefits for all covered employees with 25 years of service, regardless of age and minimum eligibility benefits at age 55 with 10 years of service, or 20 years of service regardless of age. The City-Parish Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System, City of Baton Rouge and Parish of East Baton Rouge, P. O. Box 1471, Baton Rouge, LA 70821.

Funding Policy

Plan members are required to contribute 9.5% of their annual covered salary and the Juvenile Court is required to contribute at an actuarially determined rate. The rate at December 31, 1999, was 16.13% of annual covered payroll. The contribution requirements of plan members and the Juvenile Court are established and may be amended by the System Board of Trustees. The Juvenile Court's contributions to the System for the years ending December 31, 1999, 1998, and 1997 were \$22,318, \$24,564, and, \$19,095 respectively, equal to the required contributions for each year.

G: OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note F, the City-Parish provides post retirement health care benefits. Employees are eligible to continue participation in the health, dental and life insurance programs upon retirement.

Health and dental benefits

Employees may at their option participate in the group health and dental insurance program. Employees are offered their choice of two health maintenance organizations or an indemnity plan for health benefits. Employees may also participate in the indemnity plan for dental benefits. Upon retirement the employee may continue coverage with the same benefits available to active employees. The minimum premium plan is funded with employees and retirees contributing 38% of the premium and the Parish of East Baton Rouge contributing 62% of the premium. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972. The portion paid by the Parish of East Baton Rouge of the post-retirement benefit for health and dental coverage is funded on a pay-as-you-go basis from the City – Parish General Fund – Risk Management budget.

G: OTHER POSTEMPLOYMENT BENEFITS (Continued)

Life insurance benefits

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all employees who retire after May 1, 1976, have \$3,000 of term life insurance coverage. The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 70 cents per active employee. The premium is paid into an Insurance Continuance Fund Account.

Expenditures for these benefits are not recognized by the Court since they are provided by the City-Parish.

H: CONCENTRATIONS OF CREDIT RISK

Intergovernmental receivables represent amounts due from the City-Parish and the State of Louisiana Supreme Court. Other receivables consist of amounts due from vendors.

I: OTHER EXPENDITURES OF THE JUVENILE COURT

Certain operating expenditures of the juvenile court are paid by the City-Parish and the East Baton Rouge Parish Juvenile Court - Judicial Expense Fund and are not included in the accompanying financial statements. The expenditures for the operation of the Juvenile Court paid by these entities for the year ended December 31, 1999 are summarized as follows:

	City-Parish	Judicial Expense Fund
Personal services	\$ 475,483	\$ 18,243
Employee benefits	113,589	2,069
Supplies	18,700	22,703
Contractual services	30,480	-
Total	\$ 638,252	\$ 43,015

L.A. CHAMPAGNE & CO., L.L.P.

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MEMBERS - SEC AND
PRIVATE COMPANIES PRACTICE
SECTIONS OF THE AMERICAN
INSTITUTE OF CPAs

EID #72-0454386

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

Honorable Judges of the
East Baton Rouge Parish Juvenile Court

We have audited the general purpose financial statements of the East Baton Rouge Parish Juvenile Court; a component unit of the City of Baton Rouge, Parish of East Baton Rouge; as of and for the year ended December 31, 1999, and have issued our report thereon dated April 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the East Baton Rouge Parish Juvenile Court's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*. However we noted certain immaterial instances of noncompliance that we have reported to the management of the East Baton Rouge Parish Juvenile Court in a separate letter dated April 8, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the East Baton Rouge Parish Juvenile Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the East Baton

Continued

Rouge Parish Juvenile Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information and use of management and governing body of the East Baton Rouge Parish Juvenile Court; the City of Baton Rouge, Parish of East Baton Rouge; and the Legislative Auditor, and is not intended to be and should not be used by anyone other than the specified parties.


April 8, 2000

EAST BATON ROUGE PARISH JUVENILE COURT
SCHEDULE OF FINDINGS
Year Ended December 31, 1999

**INTERNAL CONTROL OVER FINANCIAL REPORTING MATTERS REPORTABLE
UNDER GOVERNMENT AUDITING STANDARDS**

97-1. Lack of Segregation of Duties

Criteria - In order to maintain effective internal controls, no one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or fraud could exist and not be promptly detected.

Condition -- With respect to segregation of duties, there have been improvements in various areas of Court operations. However, the Judicial Administrator continues to have signatory authority and also receives and reconciles the bank statement for the general operating and the VJCC checking accounts. She is also responsible for recording the disbursement transactions processed through these accounts in the Court's general ledger.

Effect - This concentration of duties increases the risk that intentional or unintentional errors could be made and not detected within the scope of normal operations.

Cause - There is a limited number of available personnel in certain administrative areas of the Court's operations.

Management response - Although the Judicial Administrator drafts the disbursement checks and has signatory power on these accounts, all checks must be co-signed either by one of the Judges, the deputy judicial administrator or the special programs director. The Judges also review the financial statements quarterly and compare to the budget for reasonableness.

**EAST BATON ROUGE PARISH JUVENILE COURT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
Year Ended December 31, 1999

FINDING 98-1: Control Over Cash Receipts

Condition - Two cash deposits totaling \$850 for bail bonds were not credited to the Court's bank account and could not be accounted for otherwise.

Recommendation - It was recommended that all funds received be promptly deposited into a court bank account.

Current Status - The Court initiated a new policy in October, 1998, which stated that all funds are to be deposited on the day of receipt and bank accounts should be reconciled as soon as bank statements are received. This process is closely monitored by Judicial Administrator, Donna Carter. No discrepancies were noted regarding bail bond deposits.



JUVENILE COURT

PARISH OF EAST BATON ROUGE

8333 Veterans Memorial Boulevard
Baton Rouge, Louisiana 70807

Kathleen Stewart Richey
Judge, Division A

TELEPHONE (225) 354-1250
FAX (225) 357-7876

Donna T. Carter
Judicial Administrator

Pamela Taylor Johnson
Judge, Division B

Darlene Kaufman
Deputy Judicial Administrator

June 19, 2000

The East Baton Rouge Parish Juvenile Court respectfully submits the following corrective action plan for the year ended December 31, 1999.

Name and address of independent public accounting firm:

L.A. Champagne & Co., L.L.P.
4911 Bennington Avenue
Baton Rouge, LA 70808

Audit period: Year ended December 31, 1999

The findings from the 1999 schedule of findings are discussed below. The findings are numbered consistently with the numbers assigned to the schedule.

97-1. Segregation of duties

Condition: The Judicial Administrator has signatory authority and receives and reconciles the bank statement for the general operating and the VJCC checking accounts. She is also responsible for recording the disbursement transactions processed through these accounts in the Court's general ledger.

Action Taken: None. Due to limited number of administrative personnel employed by the Court, no further segregation of duties is possible. Although the Judicial Administrator drafts the disbursement checks and has signatory power on these accounts, all checks must be co-signed by either one of the Judges, the deputy judicial administrator, or the special programs director. The Judges also review the financial statements quarterly and compare actual revenues and expenditures to the budget for reasonableness.

If there are any questions regarding this plan, please call me at 225-354-1215.

Sincerely yours,

Donna T. Carter
Judicial Administrator