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**AUDITED FINANCIAL STATEMENTS
CHILD SUPPORT FUND
(A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL
DISTRICT COURT
WASHINGTON/ST.TAMMANY PARISHES, LA.
December 31, 1995**

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Release Date JUL 03 1996

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INDEPENDENT AUDITOR'S REPORT

**The Honorable France W. Watts, Chief Judge and
Judges of the Twenty-Second Judicial District Court
Child Support Fund - A Component Unit
Washington, St. Tammany Parishes, Louisiana**

We have audited the accompanying financial statements of the Child Support Fund, a component unit of the Twenty-Second Judicial District Court, Washington, St. Tammany Parishes, Louisiana, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the financial statements present only the Child Support Fund and are not intended to present fairly the financial position and results of operations of the Twenty-Second Judicial District Court in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Child Support Fund, a component unit of the Twenty-Second Judicial District Court, Washington/St. Tammany Parishes, Louisiana, as of December 31, 1995, and the results of that fund's operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 15, 1996 on our consideration of the Child Support Fund's internal control structure and a report dated June 15, 1996 on its compliance with laws and regulations.

Neuburger, Coerver & Goins

**NEUBURGER, COERVER, & GOINS
Certified Public Accountants**

June 15, 1996

**BALANCE SHEET - FUND TYPE AND ACCOUNT GROUP
CHILD SUPPORT FUND (A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL DISTRICT COURT
December 31, 1995**

	GOVERNMENTAL FUND TYPE SPECIAL REVENUE FUND	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash in bank - Note 9	\$ 533,936.75		\$ 533,936.75
Furniture, fixtures and office renovations - Notes 1, 3, & 7	_____	\$ 71,038.85	71,038.85
TOTAL ASSETS	\$ <u>533,936.75</u>	\$ <u>71,038.85</u>	\$ <u>604,975.60</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 1,530.88		\$ 1,530.88
Due to other government agencies and funds - Note 10	<u>14,539.57</u>	\$ <u>-0-</u>	<u>14,539.57</u>
TOTAL LIABILITIES	\$ <u>16,070.45</u>	\$ <u>-0-</u>	\$ <u>16,070.45</u>
FUND EQUITY			
Investment in general fixed assets		\$ 71,038.85	\$ 71,038.85
Fund Balance:			
Unreserved--undesignated	\$ 517,866.30		517,866.30
TOTAL FUND EQUITY	\$ <u>517,866.30</u>	\$ <u>71,038.85</u>	\$ <u>588,905.15</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>533,936.75</u>	\$ <u>71,038.85</u>	\$ <u>604,975.60</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CHILD SUPPORT FUND (A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL DISTRICT COURT
Year Ended December 31, 1995**

Revenues:		
Judicial fees:		
Collection fees		\$ 259,412.37
Other revenue:		
Friends in Need Service		22,500.00
Interest earned		<u>24,955.97</u>
	TOTAL REVENUES	\$ <u>306,868.34</u>
Expenditures:		
Current expenditures:		
Salaries and benefits:		
Salaries		\$ 71,547.14
Employee benefits		3,899.41
Pension plan contributions		6,797.00
Contractual services:		
Indigent Defender Board		30,000.00
District Attorney's office		18,000.00
Youth Service Bureau		72,279.63
Courtroom security		15,000.00
Computer services		3,393.75
Audit fees		2,700.00
Liability insurance		1,600.00
Repairs and maintenance		708.00
Materials and supplies:		
Office supplies, postage		7,025.73
Miscellaneous		5,016.74
Other:		
Travel and educational seminars		9,026.24
Capital outlays:		
Office furniture and fixtures		<u>269.70</u>
	TOTAL EXPENDITURES	\$ <u>247,263.34</u>
Excess of revenues over expenditures		\$ 59,605.00
Fund balance at beginning of year		<u>458,261.30</u>
Fund balance at end of year		\$ <u>517,866.30</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILD SUPPORT FUND (A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL DISTRICT COURT
Year Ended December 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Judicial fees:			
Collection fees	\$ 275,000.00	\$ 259,412.37	(\$ 15,587.63)
Other revenues:			
Friends in Need Service	-0-	22,500.00	22,500.00
Interest earned	<u>10,000.00</u>	<u>24,955.97</u>	<u>14,955.97</u>
TOTAL REVENUES	\$ <u>285,000.00</u>	\$ <u>306,868.34</u>	\$ <u>21,868.34</u>
Expenditures:			
Current expenditures:			
Salaries and benefits:			
Salaries	\$ 70,000.00	\$ 71,547.14	(\$ 1,547.14)
Employee benefits	9,500.00	3,899.41	5,600.59
Pension plan contributions	7,000.00	6,797.00	203.00
Contractual service:			
Indigent Defender Board	20,000.00	30,000.00	(10,000.00)
District Attorney's office	20,000.00	18,000.00	2,000.00
Youth Service Bureau	10,000.00	72,279.63	(62,279.63)
Courtroom security	-0-	15,000.00	(15,000.00)
Computer services	3,000.00	3,393.75	(393.75)
Audit fees	3,000.00	2,700.00	300.00
Liability insurance	2,000.00	1,600.00	400.00
Repairs and maintenance	1,500.00	708.00	792.00
Materials and supplies:			
Office supplies, postage	10,000.00	7,025.73	2,974.27
Miscellaneous	6,500.00	5,016.74	1,483.26
Office renovations	25,000.00	-0-	25,000.00
Other:			
Travel and educational seminars	12,500.00	9,026.24	3,473.76
Capital outlays:			
Furniture and fixtures	<u>20,000.00</u>	<u>269.70</u>	<u>19,730.30</u>
TOTAL EXPENDITURES	\$ <u>220,000.00</u>	\$ <u>247,263.34</u>	(\$ <u>27,263.34</u>)
Excess of revenues over expenditures	\$ 65,000.00	\$ 59,605.00	(\$ 5,395.00)
Fund balance at beginning of year	<u>458,261.30</u>	<u>458,261.30</u>	(\$ -0-)
Fund balance at end of year	\$ <u>523,261.30</u>	\$ <u>517,866.30</u>	(\$ <u>5,395.00</u>)

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
CHILD SUPPORT FUND - (A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL DISTRICT COURT
December 31, 1995

NOTE 1 - DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

Fund accounting is utilized by the Twenty-Second Judicial District Court (the court) to account for its activities. Funds are established to account for certain types of activities, and each fund is accounted for as a separate entity. The funds established by the court are described below:

SPECIAL REVENUE FUNDS

Funds used to account for specific revenue sources that are restricted to expenditures for specific purposes are reported as Special Revenue Funds.

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group represents a summary of the fixed assets of the court. Capital expenditures are recorded as expenditures of the Child Support Fund at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. Depreciation is not recorded on general fixed assets.

NOTE 2 - DEFINITION OF THE COURT ENTITY

The Child Support Fund of the Twenty-Second Judicial District Court was established under the provisions of Louisiana Revised Statutes 46:236.5 effective January 1, 1989. Under these statutes, the Court has implemented an expedited process for the establishment, modification and enforcement of support obligations by authorizing and directing the Judge presiding over the Family Section (Child Support) of the Court to appoint one or more Hearing Officers, who shall serve at his pleasure, to hear support and support related matters.

The Fund is authorized to assess a fee of five (5) percent on all support obligations made executory on or after January 1, 1989 as a result of hearing on a rule to enforce support.

The Child Support fund is a component unit of the reporting entity -The Twenty Second Judicial District Court. The Court has the following other funds:

Criminal Court Fund
Judicial Expense Fund
Misdemeanor Probation Fund

The Criminal Court Fund is included in the financial statements of the St. Tammany Parish Government because it is responsible for any deficiency in the funds. The Judicial Expense Fund and the Misdemeanor Probation Fund are reported on as component units of the Twenty-Second Judicial District Court. The Judges are responsible for the management of this fund.

NOTES TO FINANCIAL STATEMENTS - continued
CHILD SUPPORT FUND - (A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL DISTRICT COURT
December 31, 1995

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements and accounting policies of the Child Support Fund of the Twenty-Second Judicial District court conform to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board.

MODIFIED BASIS OF ACCRUAL

The Child Support Fund is accounted for under the modified accrual basis of accounting utilizing the following practices:

Revenues are accrued when the amounts to be received are both measurable and available. All revenues are susceptible to being accrued.

Expenditures are recorded at the time the liabilities are incurred. Capital outlays are recorded as expenditures at the time of acquisition.

BUDGET POLICIES

The Child Support Fund has adopted a budget on the modified accrual basis of accounting. This budget is considered to be a "non-appropriated budget" and is not subject to the appropriation process or to any legally authorized budget review and approval process. There is no relationship between the expenditure budget and any appropriation ordinances. The budget was adopted to provide a basis for control of financial operations during the year.

FIXED ASSETS AND DEPRECIATION

Fixed assets are recorded at cost and depreciation is not recorded on general fixed assets.

Current capital expenditures are recorded as expenditures at the time of purchase. The related assets are then recorded in the General Fixed Assets Account Group.

NOTE 4 - OVERVIEW TOTAL COLUMNS

Overview total columns are included on the balance sheet and are captioned "Memorandum Only" to indicate they are presented for overview information purposes only. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

NOTES TO FINANCIAL STATEMENTS - continued
CHILD SUPPORT FUND - (A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL DISTRICT COURT
December 31, 1995

NOTE 5 - VACATION AND SICK LEAVE POLICY
VACATION PAY

Employees are paid for vacation time according to the following length of employment:

One year of employment - one weeks vacation
 Two years of employment - two weeks vacation
 Three years of employment - three weeks vacation

Vacation pay is not allowed to be accumulated beyond one year.

SICK PAY

Employees are allowed ten days of sick leave each year. Sick leave can not be accumulated beyond one year.

Accrued vacation and sick pay have not been recorded because they are not material to the financial statements.

NOTE 6 - PENSION PLAN

The employees belong to the Louisiana Employees Parochial Retirement system, a defined contribution plan maintained by the State. The Court contributes 9.5% of the employees salary to the plan. Contributions for 1995 were \$6,797.00.

The employees are paid by the St. Tammany Parish Police Jury and the Child Support Fund reimburses the Police Jury. The financial statements of the retirement plan are included in the financial statements of the Police Jury.

NOTE 7 - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of the changes in general fixed assets during the year.

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>ENDING BALANCE</u>
Office furniture and equipment	\$ 62,031.07	\$ 269.70	\$ 62,300.77
Office renovations	<u>8,738.08</u>	<u>-0-</u>	<u>8,738.08</u>
	<u>\$ 70,769.15</u>	<u>\$ 269.70</u>	<u>\$ 71,038.85</u>

NOTE 8 - AGENCY FUNDS

The Child Support fund collects funds for the Louisiana Department of Health and Human Resources. These funds, less the Court's commission of 5%, are deposited directly into a State bank account. The Court has no control over the State's bank account. The Child Support Fund did not owe the State any funds at December 31, 1995.

NOTES TO FINANCIAL STATEMENTS - continued
CHILD SUPPORT FUND - (A SPECIAL REVENUE FUND)
A COMPONENT UNIT OF THE
TWENTY-SECOND JUDICIAL DISTRICT COURT
December 31, 1995

NOTE 9 - SECURED CASH

The cash of the Child Support Fund were secured as of December 31, 1995 as follows:

	<u>AMOUNT</u>	<u>SECURITY</u>
First NBC	\$ 533,936.75	\$ 522,762.00 Treasury Notes \$ 100,000.00 FDIC

NOTE 10 - DUE TO OTHER GOVERNMENT AGENCIES/FUNDS

This account is composed of the following:

1. \$ 1,583.91 - Due Judicial Expense Fund - Twenty-Second Judicial District Court
 2. 12,955.66 - Due to the St. Tammany Parish Government.
- \$ 14,539.57

These amounts represents amounts paid by the St. Tammany Parish Government for November and December 1995 payrolls and for various expenditures made by the Judicial Expense Fund for the Child Support Fund. These amounts were paid in full in January and February, 1996.

NOTE 11 - STATE FUNDS

On January 3, 1995, the Twenty-Second Judicial District Court entered into a contract with the State of Louisiana through the Louisiana Children's Cabinet to provide FINS service (Friends in Need Service) for both Washington and St. Tammany Parishes. The Child Support Fund received \$22,500.00 from the State of Louisiana.

The Twenty-Second Judicial District Court, through the Child Support Funds, appointed the Youth Service Bureau of St. Tammany to implement the FINS in St. Tammany and Washington Parishes. The Youth Service Bureau of St. Tammany is a nonprofit, United Way Agency providing prevention and early intervention programs for the youth of St. Tammany Parish. The Child Support Fund provided funding in the amount of \$72,279.63 in 1995 to the Youth Service Bureau of St. Tammany.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Honorable France W. Watts, Chief Judge and
Judges of the Twenty-Second Judicial District Court
Child Support Fund - A Component Unit
Washington/St. Tammany Parishes, Louisiana**

We have audited the financial statements of the Child Support Fund (A Special Revenue Fund) - A Component Unit of the Twenty-Second Judicial District Court, Washington/St. Tammany Parishes, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 15, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government auditing standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

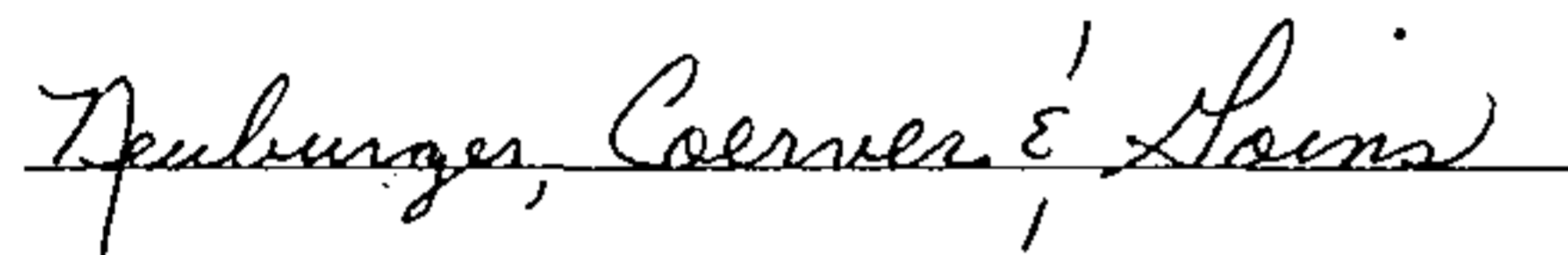
The management of the Child Support Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Child Support Fund for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS - continued**

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Judges and the Louisiana Legislative Auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



NEUBURGER, COERVER, & GOINS
Certified Public Accountants

June 15, 1996

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Honorable France W. Watts, Chief Judge and
Judges of the Twenty-Second Judicial District Court
Child Support Fund - A Component Unit
Washington/St. Tammany Parishes, Louisiana**

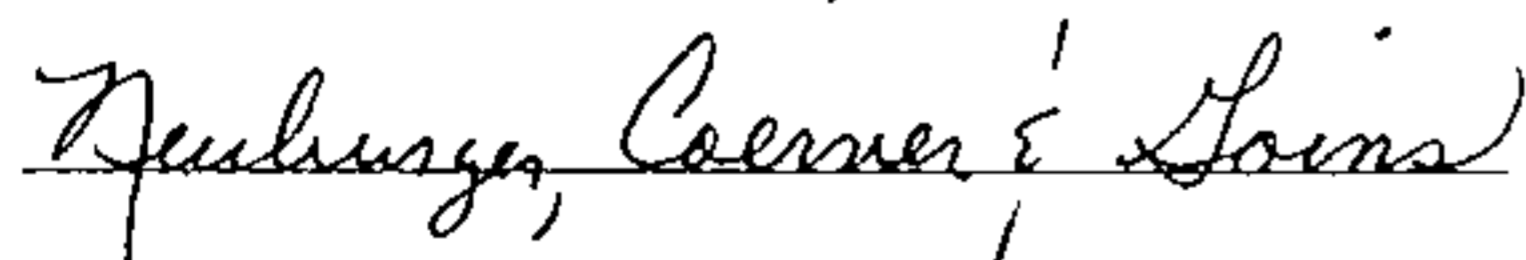
We have audited the financial statements of the Child Support Fund (A Special Revenue Fund) - A Component Unit of the Twenty-Second Judicial District Court, Washington/St. Tammany Parishes, Louisiana as of and for the year ended December 31, 1995, and have issued our report thereon dated June 15, 1996.

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 financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Child Support Fund is the responsibility of the Child Support Fund's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Child Support Fund's compliance with certain provisions of laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Judges and the Louisiana Legislative Auditor's office. This restriction is not intended to limited the distribution of this report, which is a matter of public record.



**NEUBURGER, COERVER & GOINS
Certified Public Accountants**

June 15, 1996