

6100 WOODBRIDGE BLVD.
SUITE 2000
DALLAS, TEXAS 75243
PHONE (214) 412-1000
FACSIMILE (214) 412-1001
TELETYPE (214) 412-1002
INTERNET WWW.HWC.COM



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February 28, 1997

**Report on Compliance Based on an Audit of General Purpose
Financial Statements Performed in Accordance With
Government Auditing Standards**

Judicial Expense Fund for the Family Court
of the Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana as of and for the year ended December 31, 1996, and have issued our report thereon dated February 28, 1997.

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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge, is the responsibility of the Judicial Expense Fund's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge's compliance with certain provisions of laws, regulations and contracts. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of the judges, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Yours truly,

Hartborn, Waymouth & Carroll L.L.P.

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**Judicial Expense Fund for the Family Court
of the Parish of East Baton Rouge
A Component Unit of the City of Baton Rouge
Parish of East Baton Rouge, Louisiana
Year Ended December 31, 1996**

When provisions of this law, this report is a public document. A copy of this report shall be transmitted to the members of the general, regular and special sessions of the public officials. The records available for public inspection at the Baton Rouge office shall be maintained for and under the supervision of the office of the parish clerk of court.

Release Date: MAY 21 1997

HAYTHORN, WARMOUTH & CARROLL, S.A.P.

1000 LAUREL CIRCLE - SUITE 200
DALLAS, TEXAS 75219
PHONE 214-343-1000
FAX 214-343-1001
TELETYPE 214-343-1002
INTERNET WWW.HWC.COM
E-MAIL HAYTHORN@HWC.COM
HAYTHORN@HWC.COM



CERTIFIED PUBLIC ACCOUNTANTS

1000 LAUREL CIRCLE
DALLAS, TEXAS 75219
PHONE 214-343-1000 FAX 214-343-1001

JOHN R. WARMOUTH, C.P.A.
DALLAS, TEXAS
JOHN F. HAYTHORN, C.P.A.
DALLAS, TEXAS
WILLIAM T. CARROLL, C.P.A.
DALLAS, TEXAS
WALTER J. COLE, C.P.A.
HOUSTON, TEXAS

February 28, 1997

**Report on the Internal Control Structure Based on an Audit of
General Purpose Financial Statements Performed in Accordance with
Government Auditing Standards**

Judicial Expense Fund for the Family Court
of the Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated February 18, 1997.

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 general purpose financial statements are free of material misstatement.

The management of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge 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 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 general purpose financial statements of the Judicial Expense Fund of the Family Court for the Parish of East Baton Rouge, for the year ended December 31, 1990, 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 condition in which the design or operation of one or more of the 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 operations that we consider to be material weaknesses as defined above.

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

Yours truly,

Hawthorn, Weymouth & Carroll LLP

Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge
A Component Unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana
Notes to Financial Statements
December 31, 1996

Note 1-Summary of Significant Accounting Policies (Continued)

C. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Judicial Expense Fund is determined on the basis of the accountability for fiscal matters under the control of the Judicial Expense Fund's administrator and Judges of the Family Court.

Because the operations of the Family Court are funded by East Baton Rouge City/Parish government, the Fund was determined to be a component unit of the City of Baton Rouge, the governing body of the City/Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Judicial Expense Fund and do not present information on the City of Baton Rouge, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

D. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenue is recognized when it becomes measurable and available as net current assets. Court fees are considered measurable when in the hands of the clerk of court and are considered revenue at that time.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group rather than in governmental funds and are recorded as expenditures in the governmental fund types at the time purchased. No depreciation has been provided on general fixed assets. All fixed assets are recorded at historical cost. The Fixed Asset Account Group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge
A Component Unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana
Notes to Financial Statements
December 31, 1996

Note 1-Summary of Significant Accounting Policies (Continued)

F. Budgets and Budgetary Accounting

The expense fund does not use budgeting as part of its financial reporting.

G. Investments

Investments, which consist of certificates of deposit, are stated at cost.

Note 2-Cash and Investments

Cash and investments, which consist entirely of checking accounts and certificates of deposit, are fully insured by the Federal Deposit Insurance Corporation. These deposits are stated at cost, which approximates market.

Note 3-Changes in General Fixed Assets

A summary of the changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Equipment and furniture	\$60,431	514,293	\$7,504	\$67,220
Law library	4,767	2,800		6,767
Building improvements	1,485	—	—	1,485
Total general fixed assets	12,683	517,093	7,504	622,272

Note 4-Retirement

Employees of the Family Court participate in the Employees' Retirement System-City of Baton Rouge and Parish of East Baton Rouge. The City-Parish makes the employer's portion of contributions as required by the City's charter. The employees are required to make a contribution of 8% of their salaries.

Note 5-Per-Diem Paid to Judges

Judges are not paid a per-diem or given compensation through the Judicial Expense Fund.

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HAWTHORN, WATMOUTH & CARROLL, L.L.P.

8 STATE STREET, 20TH
FLOOR, BOSTON, MASS.
02111-1001
TELEPHONE: 617-552-1000
FACSIMILE: 617-552-1001
WWW.HWC.COM



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February 28, 1997

Independent Auditor's Report

**Judicial Expense Fund for the Family Court
of the Parish of East Baton Rouge
Baton Rouge, Louisiana**

We have audited the accompanying general purpose financial statements of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended December 31, 1996. These general purpose financial statements are the responsibility of the Fund'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 Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge, as of December 31, 1996 and the results of its 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 February 28, 1997 on our consideration of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge's internal control structure and a report dated February 28, 1997 on its compliance with laws and regulations.

Yours truly,

Hawthorn, Watmouth & Carroll, L.L.P.

Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge
 A Component Unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1996

A S S E T S

	Governmental Fund Type <u>General Fund</u>	Account Group General <u>Fixed Assets</u>	Totals (Memorandum <u>Only</u>)
Cash	\$26,822		\$26,822
Certificates of deposit	93,078		93,078
Receivable from Clerk of Court's office	2,838		2,838
Interest receivable	1,128		1,128
General fixed assets	<u> </u>	\$81,472	<u>81,472</u>
Total assets	<u>123,866</u>	<u>81,472</u>	<u>205,338</u>

Liabilities and Fund Equity

Liabilities			
Accounts payable	\$3,730		\$3,730
Fund Equity			
Investment in general fixed assets		\$81,472	\$81,472
Fund balance - unreserved	120,246	<u> </u>	<u>120,246</u>
Total liabilities and fund equity	<u>123,866</u>	<u>81,472</u>	<u>205,338</u>

The accompanying notes are an integral part of these statements.

Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge
A Component Unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana
Statement of Revenue and Expenditures and Changes in Fund Balance
General Fund
Year Ended December 31, 1995

Revenue		
Court fees		\$88,007
Other Financing Sources		
City/Parish		191,069
Interest income		3,473
Miscellaneous		<u>1,158</u>
	Total revenue and other financing sources	283,711
Expenditures		
Current		
General Government		
Salaries		147,373
Supplemental pay		27,548
Employer's portion of Medicare		2,387
Louisiana Workman's Compensation		1,969
Parking fees		4,840
Contractual services		2,400
Professional fees		1,073
Supplies		408
Maintenance and repairs		1,260
Bank service charges		213
Continuing education		1,000
Miscellaneous		560
Capital outlay		<u>16,280</u>
	Total expenditures	207,201
	Excess of Revenue and Other Financing Sources Over Expenditures	76,510
	Fund Balance, January 1	<u>13,676</u>
	Fund Balance, December 31	<u>120,146</u>

The accompanying notes are an integral part of these statements.

Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge
A Component Unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana
Notes to Financial Statements
December 31, 1996

Note 1-Summary of Significant Accounting Policies

The Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge was established in 1980 under Act No. 503 which was an amendment to Title 13 of the Louisiana Revised Statutes of 1950. The Expense Fund was established for the purpose of paying expenses for the Family Court deemed necessary by the Judges for efficient operations of the court.

A. Basis of Presentation

The accompanying financial statements of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Fund Accounting

The Judicial Expense Fund uses funds and account groups to report its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund or an account group is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The Judicial Expense Fund maintains the following fund types and account groups:

Governmental Fund Type, the General Fund, which is used to record the general operations of the Judicial Expense Fund.

General Fund Asset Account Group, which is used to account for property and equipment purchased by the General Fund.

The combined financial statements include total columns that aggregate the financial statements of the fund type and account group. The columns are labeled "Memorandum Only" because the totals are not comparable to a consolidation in that interfund transactions are not eliminated.