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EAST BATON COURSE PARKER JUVENILE COURT
JUDICIAL EXPENSE FUND

BATON ROUGE, LOUISIANA

DECEMBER 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 13 1998

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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 - Judicial Expense Fund, a component unit of the city of Baton Rouge, Parish of East Baton Rouge, as of and for the year ended December 31, 1997 as listed in the table of contents. These general purpose financial statements are the responsibility of the Judicial Expense 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 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 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 - Judicial Expense Fund as of December 31, 1997, 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 February 18, 1998 on our consideration of the East Baton Rouge Parish Juvenile Court - Judicial Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.


February 18, 1998

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

December 31, 1997
 (With comparative totals for December 31, 1996)

	Governmental		Totals	
	Fund Types	Account Group	(Memorandum only)	
	General	Fixed Assets	1997	1996
ASSETS				
Cash.....	\$ 107,566	\$ -	\$107,566	\$ 73,818
Receivables:				
Intergovernmental:				
East Baton Rouge Parish				
Clerk of Court.....	191	-	191	198
Other.....	1,274	-	1,274	468
Fixed assets.....	-	17,740	17,740	18,143
Total assets.....	\$ 108,931	\$ 17,740	\$126,671	\$ 83,609
LIABILITIES AND FUND EQUITY				
Liabilities.....	\$ 1,461	\$ -	\$ 1,461	\$ 1,297
Total liabilities.....	1,461	-	1,461	7,297
Fund equity:				
Investment in general fixed				
assets.....	-	17,740	17,740	18,143
Fund balances:				
Unreserved - undesignated..	107,530	-	107,530	68,169
Total fund equity.....	107,530	17,740	125,270	76,312
Total liabilities and				
fund equity.....	\$ 108,991	\$ 17,740	\$126,731	\$ 83,609

See accompanying notes

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

For the year ended December 31, 1997
(With comparative totals for the year ended December 31, 1996)

	Governmental Fund Types	
	General	
	1997	1996
REVENUES		
Intergovernmental:		
Fees collected by Clerk of Court.....	\$ 8,482	\$ 11,358
Costs collected by East Baton Rouge Parish		
Arenile Court.....	71,748	68,809
Interest income.....	3,083	459
Miscellaneous unrestricted revenues.....	225	-
Total revenues.....	83,538	77,626
EXPENDITURES		
Current:		
Computer supplies.....	547	339
Travel and meetings.....	943	10,168
Office supplies and expenses.....	3,533	590
Telephone and communications.....	5,643	3,742
Personal services and related benefits.....	13,894	9,857
Dues and subscriptions.....	405	330
Postage, freight and express.....	38	30
Books and publications.....	644	1,853
Professional services.....	5,289	5,324
Training and conferences.....	1,257	10,343
Special programs.....	442	3,783
Total current.....	33,558	41,824

Continued...

	Governmental Fund	
	Types	
	General	
	1997	1996
Capital outlay:		
Furniture and fixtures.....	490	-
Computer equipment.....	4,158	-
Office equipment.....	2,169	-
Total capital outlay.....	7,817	-
Total expenditures.....	41,147	41,914
EXCESS OF REVENUES OVER EXPENDITURES.....	41,161	16,092
Fund balance - beginning of year.....	66,169	30,167
Fund balance - end of year.....	\$ 107,330	\$ 66,259

See accompanying notes

**EAST BATON ROUGE PARISH JUVENILE COURT
 JUDICIAL EXPENSE FUND
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 For the year ended December 31, 1997**

	Governmental Fund Types		
	General 1007		
	Budget	Actual	Variance Favorable (Unfavor- able)
REVENUES			
Intergovernmental:			
Fees collected by Clerk of Court.....	\$ 8,300	\$ 8,483	\$ 183
Costs collected by East Baton Rouge Parish Juvenile Court.....	88,780	72,740	1,940
Interest income.....	1,000	1,853	53
Miscellaneous revenue.....	-	325	325
Total revenues.....	78,080	82,500	4,420
EXPENDITURES			
Current:			
Computer supplies.....	500	547	(47)
Travel and meetings.....	3,350	843	1,507
Office supplies & expenses.....	3,950	3,553	397
Telephone & communication.....	5,500	5,643	(143)
Personal services and related benefits.....	13,950	13,596	354
Dues and subscriptions.....	600	405	85
Postage, freight & express.....	30	30	20
Books and publications.....	900	645	255
Professional services.....	4,500	4,377	123
Training and conferences.....	2,000	1,357	743
Transcript preparation fees....	3,000	1,992	1,008
Special programs.....	1,000	662	338
Total current expenses.....	38,130	33,590	4,540

Continued...

Governmental Fund Types

General 1997

	Budget	Actual	Variance- Favorable (Unfavor- able)
Capital outlay:			
Furniture and fixtures.....	-	650	(650)
Computer equipment.....	4,500	4,158	342
Office equipment.....	4,000	2,789	1,211
Total capital outlay.....	8,500	7,597	903
Total expenditures.....	48,600	41,247	7,453
EXCESS OF REVENUES OVER EXPENDITURES.....	11,480	41,361	8,881
Fund balance - beginning of year.....	86,183	86,360	-
Fund balance - end of year.....	\$ 97,663	\$ 127,721	\$ 30,058

See accompanying notes

**EAST BATON ROUGE PARISH JUVENILE COURT
JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS**

December 31, 1997

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information

The East Baton Rouge Parish Juvenile Court - Judicial Expense Fund was established by a legislative act effective July 3, 1991. The act provides for the collection of fees in the form of court costs and fines, and provides for court reporters and such secretarial, clerical, research, administrative or other personnel as are deemed necessary to expedite the business and functions of the court. The Fund may also be used to pay for establishing and maintaining a law library, equipment, supplies and any other costs or expenses related to the proper administration of the court, except for the payment of judges' salaries.

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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
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 Judicial expense fund is part of the operations of the juvenile court system which 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 judicial expense fund 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 judicial expense fund maintained by the East Baton Rouge Parish Juvenile Court and do not present any other information on the Juvenile Court, or the City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of presentation

The general purpose financial statements of the East Baton Rouge Parish Juvenile Court - Judicial Expense Fund 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 more significant of the Fund's accounting principles are described below.

Fund accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Judicial Expense Fund, the accounts are maintained in accordance with the principles of fund accounting.

A fund is a separate accounting entity with a self-balancing set of accounts. 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)

Fund accounting (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 general fund is used to account for all activities of the Judicial Expense Fund not accounted for in some other fund.

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 modified accrual basis of accounting is used by the Judicial Expense Fund. 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. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are filing fees and court costs collected by other agencies and remitted to the Judicial Expense Fund in the following month.

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

Budgets and budgetary accounting

The Judicial Expense Fund follows these procedures in establishing the budgetary data reflected in the financial statements with regard to the general fund:

- (1) In accordance with the Municipal Budget Act of the state of Louisiana, an operating budget is prepared for the general fund 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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and budgetary accounting (Continued)

- (4) The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (5) 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.

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 Judicial Expense Fund. Encumbrances at year end, even if utilized, would not be considered expenditures in the financial statements presented on the GAAP basis.

Fixed assets

General fixed assets are not capitalized in the funds used to acquire them. Instead, capital acquisitions are reflected as expenditures in the governmental funds, and 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 Judicial Expense Fund, and do not reflect assets of the court obtained from other sources.

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. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Judicial Expense Fund's financial position and operations.

B: CASE

The Judicial Expense Fund's cash book balances at December 31, 1997 of \$107,386 were held in a depository account in a local financial institution.

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

B. CASH (Continued)

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, 1987, the book balance of cash deposits are categorized as follows:

	-----Category-----			Book
	1	2	3	Balance
	-----			-----
Cash in bank..\$	100,000	\$ -	\$ 8,214	\$ 108,214
	*****	*****	*****	*****

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 28:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 18 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, 1987 is as follows:

	Computer Equipment	Office Equipment	Furniture and Fixtures	Total
	-----	-----	-----	-----
Balance, beginning of year....	\$ 3,856	\$ 3,889	\$ 4,768	\$ 12,513
Additions.....	4,288	2,789	654	7,731
Deletions.....	-	-	-	-
Balance, end of year.....	\$ 8,144	\$ 6,678	\$ 5,422	\$ 20,244
	*****	*****	*****	*****

D. CONCENTRATIONS OF CREDIT RISK

Intergovernmental receivables represent amounts due from other East Baton Rouge Parish governmental agencies.

E. EXPENDITURES OF THE JUDICIAL EXPENSE FUND PAID BY THE CITY-PARISH

Certain operating expenditures of the juvenile court and the judicial expense fund are paid by the City-Parish and are not included in the accompanying financial statements. The City-Parish has a calendar year end, and its expenditures for the operation of the Judicial Expense Fund for the year ended December 31, 1987 amounted to \$2,900 for contractual services.

F: SALARY AND RELATED PAYROLL EXPENDITURES

The East Baton Rouge Parish Juvenile Court General Fund administers the payroll for the juvenile court. One employee of the juvenile court receives a supplemental salary from the Judicial Expense Fund. The Judicial Expense Fund reimburses the Court's general fund for a portion of the salary and related expenses, which include employers' portion of retirement and FICA taxes on the supplemental salary. The amounts shown in the accompanying financial statements are the actual salary and related expenditures of the Judicial Expense Fund.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PREPARED 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 - Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge; as of and for the year ended December 31, 1997, and have issued our report thereon dated February 10, 1998. 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 - Judicial Expense Fund'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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the East Baton Rouge Parish Juvenile Court - Judicial Expense Fund'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 Rouge Parish Juvenile Court - Judicial Expense Fund's ability to record, process, summarize and report financial data consistent with the assertions of management.

Continued. . .

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 do not believe that this reportable condition is a material weakness.

This report is intended for the information of management of the East Baton Rouge Parish Juvenile Court-Judicial Expenses Fund; the City of Baton Rouge, Parish of East Baton Rouge; and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


February 18, 2011

**EAST BATON ROUGE PARISH JUVENILE COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF FINDINGS**

Year Ended December 31, 1987

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

FF-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 - The Judicial Administrator handles all aspects of the accounting functions.

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 Fund's operations.

Management response - Although the Judicial Administrator drafts the disbursement checks and has signatory power on the account, all checks must be co-signed by one of the Judges. The Judges also review the financial statements quarterly and compare to the budget for reasonable fees.

**EAST BATON ROUGE PARISH JUVENILE COURT
JUDICIAL EXPENSE FUND
MANAGEMENT'S CORRECTIVE ACTION PLAN**
Year Ended December 31, 1997

As discussed in management's response to #97-1, procedures have been developed and are being used to compensate for the lack of segregation of duties.

**EAST BATON ROUGE PARISH JUVENILE COURT
JUDICIAL EXPENSE FUND
MANAGEMENT'S REPORT ON PRIOR YEAR FINDINGS
Year Ended December 31, 1997**

The lack of segregation of duties was reported in the "independent auditor's report on internal control structure based on an audit of the general purpose financial statements performed in accordance with Government Auditing Standards" for the year ended December 31, 1996. Due to the limited number of administrative personnel employed by the Court no further segregation of duties is possible, but procedures discussed in management's response to #07-1 compensate for this circumstance.