

RECEIVED

JUL 21 1999

OFFICIAL
FILE 99-17

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**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, 1998**

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 July 24, 1999

Table of Contents

Independent Auditor's Report	Page 3
Combined Balance Sheet - All Fund Types and Account Groups	Page 4
Statement of Revenue and Expenditures and Changes in Fund Balance - General Fund	Page 5
Notes to Financial Statements	Page 6
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	Page 9

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



H. DANIEL CARROLL, C.P.A.
ROBERT E. WALES, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS C. MCKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD.
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

ROBERT B. HAWTHORN, C.P.A.
(1898-1977)
JOHN F. WAYMOUTH, C.P.A.
(1908-1987)
HOWARD V. CARROLL, C.P.A.
(1909-1993)

WARREN C. BEFF, C.P.A.
RETIRED
ROBERT J. ZEPHORI, C.P.A.
RETIRED
CARL L. HANCOCK, C.P.A.
RETIRED

April 2, 1999

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, 1998. 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.

Judicial Expense Fund for the Family Court has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that Judicial Expense Fund for the Family Court is or will become year 2000 compliant, that Judicial Expense Fund for the Family Court year 2000 remediation efforts will be successful in whole or in part, or the parties with which Judicial Expense Fund for the Family Court does business are or will become year 2000 compliant

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, 1998 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 April 2, 1999 on our consideration of the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge's internal control structure and its compliance with laws and regulations.

Yours truly,

Hawthorn, Weymouth, & 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, 1998

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>)
Assets			
Cash	\$55,914		\$55,914
Certificates of deposit	150,000		150,000
Receivable from Clerk of Court's office	7,199		7,199
Receivable from City Parish	10,556		10,556
Interest receivable	1,459		1,459
Other receivable	91		91
General fixed assets	<u> </u>	\$161,327	<u>161,327</u>
<u>Total assets</u>	<u>225,219</u>	<u>161,327</u>	<u>386,546</u>

Liabilities and Fund Equity

Liabilities			
Accounts payable	\$7,578		\$7,578
Accrued payroll	10,647		10,647
Fund Equity			
Investment in general fixed assets		\$161,327	161,327
Fund balance - unreserved	<u>206,994</u>	<u> </u>	<u>206,994</u>
<u>Total liabilities and fund equity</u>	<u>225,219</u>	<u>161,327</u>	<u>386,546</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, 1998

Revenue	
Court fees	\$115,326
Other Financing Sources	
City/Parish	268,579
Interest income	9,123
Transcript fees	1,898
Miscellaneous	<u>2,259</u>
	<u>397,185</u>
Expenditures	
Current	
General Government	
Salaries	265,012
Payroll taxes	4,064
Louisiana Workman's Compensation	1,298
Parking fees	5,615
Travel	6,738
Professional fees	2,600
Supplies	2,742
Telephone	1,504
Dues and memberships	430
Maintenance & Repairs	3,077
Internet communication	680
Bank service charges	118
Continuing education	5,736
Miscellaneous	918
Capital outlay	<u>69,670</u>
	<u>370,202</u>
Excess of Revenue and Other Financing Sources Over Expenditures	26,983
Fund Balance, January 1	<u>180,011</u>
Fund Balance, December 31	<u>206,994</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, 1998

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. 505 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 Fixed Assets Account Group

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.

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, 1998

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 Assets 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, 1998**

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>Adjustments\ (Deletions)</u>	<u>Ending Balance</u>
Equipment and furniture	\$77,817	\$69,583	(\$1,982)	\$145,418
Law library	8,337			8,337
Building improvements	<u>7,485</u>	<u>87</u>	<u> </u>	<u>7,572</u>
<u>Total general fixed assets</u>	<u>93,639</u>	<u>69,670</u>	<u>(1,982)</u>	<u>161,327</u>

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 9.5% 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.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

H. DANIEL CARROLL, C.P.A.
ROBERT E. WALES, C.P.A.
J. CHARLES PARKER, C.P.A.
LOUIS C. McKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
CHARLES R. FINEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD.
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

ROBERT B. HAWTHORN, C.P.A.
(1906-1977)
JOHN F. WAYMOUTH, C.P.A.
(1902-1987)
HOWARD V. CARROLL, C.P.A.
(1909-1983)

WARREN C. BEFF, C.P.A.
RETIRED
ROBERT J. ZERNOTT, C.P.A.
RETIRED
CARL L. HANCOCK, C.P.A.
RETIRED

April 2, 1999

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

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, 1998, and have issued our report thereon dated April 2, 1999. 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 Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge'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 one instance of noncompliance that are required to be reported under Government Auditing Standards. The audit report was not submitted to the Legislative Auditor's Office until after June 30, 1999, because of an oversight by the auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Judicial Expense Fund for the Family Court of the Parish of East Baton Rouge's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all

matters in the internal control over financial reporting that might be material weaknesses. 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 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended 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, Waymouth & Carroll L.L.P.