

4126

RECEIVED
LEGISLATIVE AUDITOR

04 AUG -6 AM 11:45

**The Family Court of East Baton Rouge Parish
Judicial Expense Fund
Baton Rouge, Louisiana
December 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8/18/04

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

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., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

RECEIVED
LEGISLATIVE AUDITOR
04 AUG -6 AM 11:45

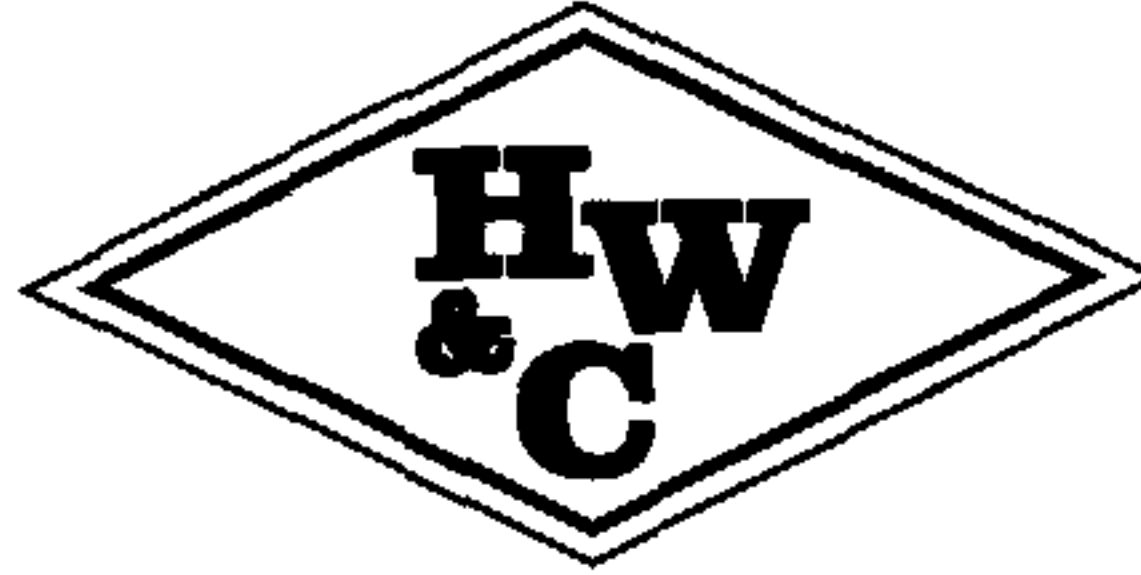
**The Family Court of East Baton Rouge Parish
Judicial Expense Fund
Baton Rouge, Louisiana
December 31, 2003**

Table of Contents

Independent Auditor's Report	Page	3
Required Supplementary Information Management's Discussion and Analysis	Page	5
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Assets	Page	8
Statement of Activities	Page	9
Fund Financial Statements		
Balance Sheet - Governmental Funds	Page	11
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	Page	12
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	Page	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Page	14
Notes to Statements	Page	15
Required Supplementary Information		
Budgetary Comparison Schedule - General Fund	Page	22
Notes to Required Supplementary Information	Page	23
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	Page	24
Schedule of Findings and Questioned Costs	Page	26

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

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., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

May 31, 2004

Independent Auditor's Report

Honorable Judges of
The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of The Family Court of East Baton Rouge Parish - Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Judicial Expense Fund's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of The Family Court of East Baton Rouge Parish - Judicial Expense Fund as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2004, on our consideration of The Family Court of East Baton Rouge Parish - Judicial Expense Fund's internal control structure 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.

Management's Discussion and Analysis and the other required supplementary information on pages 5-6 and 21-23, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Yours truly,

Hawthorn, Weymouth & Carroll L.L.P.

May 31, 2004

Managements Discussion and Analysis

The purpose of this section is to offer management's discussion and analysis of The Family Court of East Baton Rouge Parish - Judicial Expense Fund's (Expense Fund) financial performance during the year ended December 31, 2003. It should be read in conjunction with the financial report taken as a whole.

Overview of the Financial Statements

There are two types of financial statements that each present a different view of the Expense Fund as follows:

1. The government-wide financial statements, beginning on page 8, present financial information for all activities of the Expense Fund from an economic resources measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Expense Fund's overall financial status.
2. Fund financial statements, beginning on page 11, present information on the individual funds of the Expense Fund allowing for more details. The measurement focus and basis of accounting used to prepare these statements is dependent on the fund type. The Expense Fund has only one fund as follows:
 - A. Government fund (General Fund) - The general fund uses a current financial resources measurement focus and the accrual basis of accounting. The statements in this section represent the short-term financing of general government.

The notes which follow the financial statements are intended to provide further detail and explanation for the information contained in the statements.

Governmental Activities

The Expense Fund's operations are funded extensively by the City and Parish of East Baton Rouge (City-Parish). Operating funding by the City-Parish decreased by \$22,389 (4%) from the year 2002. The other major funding by the Expense Fund is court fees, which increased by \$952 or 1%.

The Family Court's statistical court information for the past two years is as follows.

	<u>2003</u>	<u>2002</u>
Divorces granted	1,809	1,829
New cases filed	3,521	3,669
Family violence cases	1,132	1,087
Disavowals	0	1
Annulments	2	3
Paternity judgements and rules	6,245	6,685
Dismissals	417	418

Condensed Financial Information

	<u>2003</u>	<u>2002</u>
Total Assets	\$337,079	\$375,692
Total Liabilities	<u>51,195</u>	<u>55,350</u>
	<u>285,884</u>	<u>320,342</u>
Net Assets		
Invested capital assets	47,812	57,468
Unrestricted	<u>238,072</u>	<u>262,874</u>
Total Net Assets	<u>285,884</u>	<u>320,342</u>
Program Revenues		
Fees and fines	\$105,956	\$104,004
City-Parish transfer	577,379	554,990
General Revenue		
Interest and other	<u>4,018</u>	<u>6,320</u>
	687,353	665,314
Program Expense		
Family Court	<u>(721,811)</u>	<u>(704,963)</u>
Net Change in Assets	<u>(34,458)</u>	<u>(39,649)</u>

Contacting the Family Court's Financial Management

This financial report is designed to provide the citizens and taxpayers with a general overview of the Family Court of East Baton Rouge Parish - Judicial Expense Fund finances and show the accountability for the money it receives. If you have any further questions about the report, or need additional information, contact the Court Administrative Office at 222 St. Louis Street, Suite 978, Baton Rouge, Louisiana (225) 389-4676.

Basic Financial Statements

The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Statement of Net Assets
December 31, 2003

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and cash equivalents	\$289,267
Noncurrent Assets	
Capital assets, net of depreciation	<u>47,812</u>
<u>Total assets</u>	<u>337,079</u>
 Liabilities	
Long-term Liabilities	
Compensated absences payable	<u>51,195</u>
<u>Total liabilities</u>	<u>51,195</u>
 Net Assets	
Invested in capital assets	47,812
Unrestricted	<u>238,072</u>
<u>Total net assets</u>	<u>285,884</u>

The accompanying notes are an integral part of these basic statements.

The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Statement of Activities
Year Ended December 31, 2003

	Program Revenues			
<u>Expenses</u>	<u>Fees and Fines</u>	<u>Operating Grants and Contributions</u>	<u>Net Revenue (Expense)</u>	
Functions and Programs				
Governmental activities				
Family Court	<u>\$721,811</u>	<u>\$105,956</u>	<u>\$577,379</u>	<u>(\$38,476)</u>
<u>Total governmental activities</u>	<u>721,811</u>	<u>105,956</u>	<u>557,379</u>	<u>(38,476)</u>
	General Revenues			
				<u>4,018</u>
			Interest	
			Total general revenues	<u>4,018</u>
			Change in net assets	(34,458)
			Net assets - beginning of year	<u>320,342</u>
			Net assets - end of year	<u>285,884</u>

The accompanying notes are an integral part of these basic statements.

Fund Financial Statements

The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Balance Sheet
Governmental Funds
December 31, 2003

	<u>General</u> <u>Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	\$289,267
<u>Total assets and other debits</u>	<u>289,267</u>
 Fund Balances	
Unreserved, reported in general fund	<u>289,267</u>
<u>Total fund balances</u>	<u>289,267</u>

The accompanying notes are an integral part of these basic statements.

The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Reconciliation of Total Governmental Fund Balance
to Net Assets of Governmental Activities
December 31, 2003

Total governmental fund balances	\$289,267
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	47,812
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the governmental funds	<u>(51,195)</u>
<u>Net assets of governmental activities</u>	<u>285,884</u>

The accompanying notes are an integral part of these basic statements.

The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2003

	General Fund
Revenues	
Fees and fines	\$105,956
Interest	<u>4,018</u>
<u>Total revenues</u>	<u>109,974</u>
 Other Financing Sources	
Operating transfers from primary government	<u>557,379</u>
 Expenditures	
Current Operations	
Family Court	668,767
Capital expenditures	<u>14,166</u>
<u>Total expenditures</u>	<u>682,933</u>
 Net Change in Fund Balance	 (15,580)
 Fund Balance, beginning of year	 <u>304,847</u>
 Fund Balance, end of year	 <u>289,267</u>

The accompanying notes are an integral part of these basic statements.

**The Family Court of East Baton Rouge Parish - Judicial Expense Fund
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended December 31, 2003**

Net Change in Fund Balance - total governmental funds (\$15,580)

Amounts reported for governmental activities in the
 Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However,
 in the Statement of Activities, the cost of those assets is allocated over
 their estimated useful lives as depreciation expense. This is the amount
 by which depreciation exceeded capital outlays in the current period. (9,556)

Some expenses reported in the statement of activities do not require the
 use of current financial resources and, therefore, are not reported as
 expenditures in governmental funds.

Increase in compensated absences payable (9,222)

Change in net assets of governmental activities (34,358)

The accompanying notes are an integral part of these basic statements.

The Family Court of East Baton Rouge Parish
Notes to Basic Financial Statements
December 31, 2003

A: Summary of Significant Accounting Policies

The Family Court of East Baton Rouge Parish - Judicial Expense Fund complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Account Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent sections of this note. For the year ended December 31, 2002, the Judicial Expense Fund has adopted the new financial reporting requirements of GASB statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

The Family Court of East Baton Rouge Parish - Judicial Expense Fund ("Judicial Expense Fund") was established in 1980 under Act No. 505 and 1995 under Act 809. The Judicial 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. The Judicial Expense Fund receives court fees collected on its behalf by the Clerk of Court of the Nineteenth Judicial District.

The Judicial Expense Fund has thirteen employees.

As the governing authority of consolidated government, the City of Baton Rouge, Parish of East Baton Rouge (City-Parish) is the financial reporting entity for the consolidated government. In compliance with the provisions of GASB No. 14, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government (City-Parish), and includes all component units of which the City-Parish appoints a voting majority of the units' board; the City-Parish is either able to impose its will on the unit or a financial benefit or burden relationship exists.

The Judicial Expense Fund is part of the operations of the district court system that is fiscally dependent on the City-Parish. The City-Parish provides directly to the court office space, court-rooms, personal services, and other supplies and services. The nature of the relationship between the Judicial Expense Fund and the district court and the City-Parish is significant. Therefore, 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 Family Court of East Baton Rouge Parish and do not present any other information on the District Court, or the City-Parish, the general government services provided by the governmental unit, or on the other government units that comprise the financial reporting entity.

The Family Court of East Baton Rouge Parish
Notes to Basic Financial Statements
December 31, 2003

A: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

In June, 1999, the GASB unanimously approved State No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD & A) section providing an analysis of the Judicial Expense Fund's overall financial position and results of operations and financial statements prepared using full accrual accounting for all the Judicial Expense Fund's activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Judicial Expense Fund has elected to implement the general provisions of the Statement in the current year. The capital assets acquired prior to January 1, 2001 is retroactively reported.

Basic Financial Statements

Government-wide Financial Statements - The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements - The Financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Only the governmental fund type is used by the Judicial Expense Fund. The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The funds of the Judicial Expense Fund are described as follows:

General Fund - The general fund is the general operating fund and accounts for all activities of the Judicial Expense Fund.

Measurement focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All

The Family Court of East Baton Rouge Parish
Notes to Basic Financial Statements
December 31, 2003

A: Summary of Significant Accounting Policies (Continued)

Measurement Focus (Continued) - governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

Basis of Accounting - The governmental-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means the amount of the transaction can be determined, and available means collectible within the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Financial Statement Amounts

Cash and Cash Equivalents - "Cash, including time deposits" includes all demand deposits, savings accounts and certificates of deposit of the Judicial Expense Fund.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of account receivable. Major receivable balances for governmental activities include amounts due from the Clerk of Court. Receivables are included in the fund financial statements if they are both measurable and available. Interest earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Additions, improvement and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Office Furniture and Equipment	5 years
--------------------------------	---------

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition. Capital 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.

The Family Court of East Baton Rouge Parish
Notes to Basic Financial Statements
December 31, 2003

A: Summary of Significant Accounting Policies (Continued)

Revenues

Substantially all government fund revenues are accrued. Those revenues include filing and license fees, fines, and court costs collected by other agencies and remitted to the Judicial Expense Fund in the following month, as well as, amounts due under grant contracts, interest, revenue and transcript charges to attorneys. As a grant recipient, grant receivables and revenue are recognized when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as deferred revenue.

Expenditures

Expenditures are recognized when the related fund liability is incurred.

Compensated Absences

The annual and sick leave plan adopted by the Judicial Expense Fund allows a maximum of 48 days of vacation leave per year. Upon termination, employees are paid for the unused vacation leave. Sick leave is allowed to accrue and accumulate. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations.

Employees of Judicial Expense Fund may accrue compensatory time in lieu of overtime payment up to 30 days. Compensatory leave is paid by the Judicial Expense Fund upon termination, resignation, retirement or death up to the maximum accrual amounts. Whenever an employee exceeds the maximum accrual amounts, the excess is paid to the employee during the following month.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only 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 Judicial Expense Fund records a liability for a total of 100% of the accrued vacation and compensatory time for each employee up to the respective maximums of 60 and 30 days at the employees' current rate of pay. Additionally, applicable percentages of retirement contribution, social security, and Medicare are added to the above accrued leave.

GASB Statement No. 16 requires the accrual for sick leave 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 the amount of accumulated sick leave lapses upon termination, no amount has been accrued.

The Family Court of East Baton Rouge Parish
Notes to Basic Financial Statements
December 31, 2003

A: Summary of Significant Accounting Policies (Continued)

Compensated Absences (Continued)

The amounts shown in the accompanying financial statements for accrued compensated absences represent the liability for all employees of the Judicial Expense Fund except the judges and the commissioners.

The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-side presentations.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

B: Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. Under state law, the Judicial Expense Fund may deposit funds in demand deposits, 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, 2003, the Judicial Expense Fund cash balances are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	\$4,036	\$19,555
Interest bearing	<u>285,231</u>	<u>285,231</u>
	<u>289,267</u>	<u>304,786</u>

These deposits are stated at cost, which approximates market, and are secured by federal deposit insurance at various financial institutions.

The Family Court of East Baton Rouge Parish
Notes to Basic Financial Statements
December 31, 2003

C: Capital Assets

Capital asset activity for the year ended December 31, 2003 is as follows:

	<u>Balance</u> <u>12-31-02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12-31-03</u>
Office furniture and equipment at historical cost	\$272,254	\$14,166		\$286,420
Less accumulated depreciation	<u>214,786</u>	<u>23,822</u>		<u>238,608</u>
Capital assets, net	<u>57,468</u>	<u>(9,656)</u>		<u>47,812</u>

Depreciation expense charged to governmental activities was \$23,822.

D: Salary Expenditures

The Judicial Expense Fund administers the payroll for all District Court employees excluding the judges and the commissioners. The Parish of East Baton Rouge reimburses the fund for those salaries disbursed by the fund but appropriated in the City-Parish budget.

Also, the Clerk of Court reimburses the Fund for a portion of the salary of an employee who works for both the Judicial Expense Fund and the East Baton Rouge Parish Clerk of Court. The amounts included in the accompanying financial statements are the actual salary expenditures of the Judicial Expense Fund and do not include any amounts for salaries reimbursed by either the City-Parish or the Clerk of Court.

E: Pension Plans

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.

F: Concentrations of Credit Risk

Intergovernmental receivables represent amounts due from other East Baton Rouge parish governmental agencies and the State of Louisiana. Payment of these amounts is partly dependent upon the economic and financial conditions within East Baton Rouge Parish.

Required Supplementary Information

The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2003

	<u>Budgetary</u> <u>Amounts</u>		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance				
Beginning of year	\$304,847	\$304,847	\$304,847	
Resources - Inflows				
Fees and fines			105,956	\$105,956
Interest income			4,018	4,018
Transfers from primary government	<u>593,330</u>	<u>602,542</u>	<u>557,379</u>	<u>(45,163)</u>
<u>Amounts available for appropriation</u>	<u>898,177</u>	<u>907,389</u>	<u>972,200</u>	<u>64,811</u>
Charges to Appropriations - Outflows				
Salaries and benefits	366,200	366,200	337,607	28,593
Employee benefits	104,373	113,585	97,410	16,175
Supplies	20,600	20,600	62,023	(41,423)
Contractual services	102,157	102,157	171,727	(69,570)
Capital outlay			<u>14,166</u>	<u>(14,166)</u>
<u>Total charges to appropriations</u>	<u>593,330</u>	<u>602,542</u>	<u>682,933</u>	<u>(80,391)</u>
Budgetary Fund Balance				
End of year	<u>304,847</u>	<u>304,847</u>	<u>289,267</u>	<u>(15,580)</u>

The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Notes to Required Supplementary Information
Budgetary Accounting and Control
December 31, 2003

A: Budgetary Accounting and Control

Budget Law

The Judicial Expense Fund annual operating budget is prepared by the City of Baton Rouge, Parish of East Baton Rouge, according to the provisions of the Louisiana Municipal Budget Act. In accordance with those provisions, the following procedures are used in adopting the annual budget for the General Fund:

- (1) 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;
- (4) the general fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by character (personnel 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; and
- (5) appropriations lapse at the end of each fiscal year.

Budgetary Accounting

The general fund budget is prepared using the modified accrual basis of accounting.

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

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., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

May 31, 2004

**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**

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

We have audited the general purpose financial statements of The Family Court of the Parish of East Baton Rouge Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 31, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Family Court of the Parish of East Baton Rouge 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as Item 2003-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Family Court of the Parish of East Baton Rouge 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 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 solely for the information and use of the Judges, management, 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 these specified parties.

Yours truly,

Hawthorn, Weymouth & Carroll L.L.P.

**The Family Court of East Baton Rouge Parish - Judicial Expense Fund
Schedule of Findings and Questioned Costs and Prior Year Findings
Year Ended December 31, 2003**

Compliance

2003-1 and 2002-1 Audit Report

Condition

The audit report is to be submitted no more than six months after the end of the fiscal year.
The report has been delayed due to the unforeseen issues in the conversion of GASB 34.

Recommendation

Planning and preparation should be made to anticipate circumstances which would delay report beyond the required filing date.

Management's Response

Management agrees with the recommendation.

Corrective Action

Proper planning and scheduling will be implemented and monitored to insure the report is timely filed in the future.