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NAME OF THE

EIGHTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

WYNNFIELD, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1957

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entry and office to occasional 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 7/13/58

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June 26, 1998

INDEPENDENT AUDITORS' REPORT

Honorable Douglas H. Allen
Eighth Judicial District Judge
Monroe, Louisiana 71483

We have audited the accompanying financial statements of the Eighth Judicial District Court Judicial Expense Fund, a component unit of the White Parish Police Jury, as of and for the year ended December 31, 1997, as listed in the table of contents. These financial statements are the responsibility of the management of the Eighth Judicial District Court Judicial Expense Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Eighth Judicial District Court Judicial Expense Fund as of December 31, 1997, 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 our report dated June 26, 1998 on our consideration of the Eighth Judicial District 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.

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White & Bates

COMPONENT UNIT FINANCIAL STATEMENTS

STATEMENT A

**EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WINSH PARRISH POLICE JURY**

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1997

| ASSETS | GOVERNMENTAL FUND TYPE | | PROJECT UNIT FUND TYPE | | ACCOUNT GROUP | TOTALS (MEMORANDUM ONLY) |
|--|------------------------|----------------------|---------------------------|----------------------|----------------|--------------------------|
| | GENERAL FUND | SPECIAL REVENUE FUND | CHILD SUPPORT AGENCY FUND | GENERAL FIXED ASSETS | | |
| CASH AND CASH EQUIVALENTS | \$ 1,571 | \$ 18,694 | - | - | - | \$ 12,125 |
| RECEIVABLES (Note 2) | 1,250 | - | - | - | - | 1,279 |
| OTHER ASSETS | 190 | - | - | - | - | 190 |
| GENERAL FIXED ASSETS (Note 2) | - | - | - | \$ 71,379 | - | 71,379 |
| TOTAL ASSETS | \$ 3,011 | \$ 18,694 | \$ 0.00 | \$ 71,379 | \$ 0.00 | \$ 93,054 |
| LIABILITIES AND FUND EQUITY | | | | | | |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 382 | - | \$ 0.00 | - | - | \$ 382 |
| FUND EQUITY | | | | | | |
| Increase in General Fixed Assets | - | - | - | \$ 71,379 | - | 71,379 |
| Fund Balance - Unreserved-Unassigned | 2,629 | 18,694 | - | - | - | 21,323 |
| Total Fund Equity | 2,629 | 18,694 | \$ 0.00 | 71,379 | - | 92,702 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 3,011 | \$ 18,694 | \$ 0.00 | \$ 71,379 | \$ 0.00 | \$ 93,054 |

The accompanying notes are an integral part of this statement.

STATEMENT B

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WERN PARISH POLICE JURYCOMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1997

| | GENERAL FUND | SPECIAL REVENUE FUND | TOTAL (MEMORANDUM) DOLLARS |
|--|-----------------|----------------------------|----------------------------------|
| REVENUES: | | | |
| Intergovernmental Revenues: | | | |
| State Grants | \$ 25,000 | | \$ 25,000 |
| Fees, Charges, and Commissions for Services: | | | |
| Court Costs | 6,868 | \$ 19,732 | 25,792 |
| Fines and Forfeitures | 12,660 | | 12,660 |
| TOTAL REVENUES | 44,528 | 19,732 | 64,260 |
| EXPENDITURES: | | | |
| Current: | | | |
| Personal Services & Related Benefits | 25,808 | 9,872 | 35,672 |
| Operating Services | 18,444 | 633 | 19,099 |
| Materials and Supplies | 305 | | 305 |
| Travel and Other Charges | 1,295 | | 1,295 |
| Capital Outlay | 736 | 3,122 | 3,858 |
| TOTAL EXPENDITURES | 46,578 | 14,649 | 61,227 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,150) | 4,873 | 2,715 |
| FUND BALANCE AT BEGINNING OF YEAR | 4,764 | 3,781 | 10,545 |
| FUND BALANCE AT END OF YEAR | \$ 2,614 | \$10,654 | \$ 13,268 |

The accompanying notes are an integral part of this statement.

STATEMENT C

**EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WENN PARISH POLICE JURY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUND TYPE -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1997**

| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|-----------------|-----------------|--|
| REVENUES: | | | |
| Intergovernmental Revenues: | | | |
| State Grants | \$ 25,000 | \$ 25,000 | \$ - |
| Fees, Charges, and Commissions for Services: | | | |
| Court Costs | 6,000 | 6,000 | 60 |
| Fees and Perquisites | <u>12,500</u> | <u>12,000</u> | <u>500</u> |
| TOTAL REVENUES | <u>43,500</u> | <u>43,000</u> | <u>500</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Personal Services & Related Benefits | 25,000 | 25,000 | - |
| Operating Services | 18,500 | 18,444 | 56 |
| Materials and Supplies | 300 | 300 | (50) |
| Travel and Other Charges | 1,500 | 1,292 | 208 |
| Capital Outlay | <u>750</u> | <u>704</u> | <u>46</u> |
| TOTAL EXPENDITURES | <u>46,050</u> | <u>45,878</u> | <u>172</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,550) | (2,538) | 12 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>0.704</u> | <u>0.704</u> | <u>-----</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 2,204</u> | <u>\$ 2,600</u> | <u>\$ 396</u> |

The accompanying notes are an integral part of this statement.

**EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WINN PARISH POLICE JURY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1997**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Eighth Judicial District Court Judicial Expense Fund (the "Judicial Expense Fund") was established by Act 916 of the 1985 Session of the Louisiana Legislature to be effective January 1, 1988. The act provides for the collection of fees in the form of court costs and fines. The Winn Parish Clerk of Court is in place all sums collected or received under this act in a separate account over which the judge of the Eighth Judicial District Court has control over all disbursements made therefrom. The Act provides that these monies may be used to pay salaries for court reporters and such secretarial, clerical, research, administrative or other personnel as are deemed necessary to expedite the business and function of the court. In addition, the judge may utilize the monies in the Judicial Expense Fund to pay all or any part of the cost of establishing or maintaining a law library for the court, or for buying or maintaining any type of equipment, supplies, or other items consistent with the efficient operation of the court, except for the payment of the judge's salary.

The following is a summary of the more significant accounting policies:

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary Government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that inclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criteria 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 police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

(Continued)

**EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WISN PARISH POLICE JURY**

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1997**

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 a part of the district court system. Because the district court system is fiscally dependent on the police jury for office space and resources, the Judicial Expense Fund was determined to be a component unit of the Wison Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Judicial Expense Fund and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Judicial Expense Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

C. FUND ACCOUNTING

The Judicial Expense Fund uses funds and account groups to report on its financial position and the 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 is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group 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. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

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 a government's general activities, including the collection and disbursement of specific or legally mandated revenues, the acquisition or construction of general fund assets, and the servicing of general long-term obligations. Governmental funds focus attention on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The Judicial Expense Fund's current operations require the use of the following fund types and account groups:

(Continued)

**EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF NISAN PARISH POLICE JURY**

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1997**

Governmental Fund Type

General Fund - The General Fund is the principal fund of the Judicial Expense Fund and is used to account for all fees collected and all disbursements made by the Judicial Expense Fund. The fund's primary sources of revenue are court costs, fines, and state grants.

Special Revenue Fund (Hearing Officer Fund) - Special revenue funds are to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Hearing Officer Fund accounts for a 1/3 percent fee assessed in non-support cases which go through the state's Child Support Enforcement program. These fees are used to pay the salary of the hearing officer appointed by the judge of the Eighth Judicial District to hear support and support related matters as well as other expenditures incurred in connection with the implementation of this procedure.

Fiduciary Fund Type

Child Support Agency Fund - The Child Support Agency Fund is used to account for assets held by the district court as an agency for other governments and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

General Fixed Assets - Fixed assets used in governmental fund type operations (general fund assets) are accounted for in the general fund assets account group, rather than in the governmental funds. General fund assets provided by the police jury are not recorded in the general fixed assets account group. All fixed assets are valued at actual historical cost. No depreciation has been provided on general fixed assets.

General Long-Term Debt - Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. There were no long-term obligations of the Judicial Expense Fund at December 31, 1997.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

(Continued)

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WINN PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1997

The records of the Judicial Expense Fund are maintained on the cash basis of accounting. However, the governmental basis reported in the accompanying financial statements has been converted to the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues - Fees collected in the form of court costs and fines are recorded as revenue in the year in which such fees are earned.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

Other Financing Sources - Any other types of transactions are accounted for as other financing sources, such as sales of fixed assets, long-term debt proceeds, capital lease transactions, et cetera. These other financing sources are recognized at the time the underlying events occur.

E. BUDGETARY PRACTICES

As required by Louisiana Revised Statutes, the Judicial Expense Fund prepared and legally adopted a budget for the General Fund for the year ended December 31, 1997. The proposed budget was prepared using generally accepted accounting principles, which is consistent with the basis of accounting used in the preparation of the accompanying financial statements. The proposed budget was made available for public inspection of December 31, 1996. All budget appropriations lapse at year-end.

Formal budget integration within the accounting records is not employed as a management control device. The Judicial Expense Fund does not use encumbrance accounting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

The Judicial Expense Fund's carrying amount of deposits with financial institutions was \$13,215 at December 31, 1997. The bank balance at December 31, 1997 was \$21,867. All cash balances of the Judicial Expense Fund are insured by federal deposit insurance.

G. ACCOUNTS RECEIVABLE

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable. At December 31, 1997 no amounts were deemed uncollectible.

(Continued)

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WINN PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1997

II. TOTAL COLUMN ON COMBINED STATEMENTS

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

1. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 expenses during the reporting period. Actual results could differ from these estimates.

2. RECEIVABLES

The receivables of \$0,270 at December 31, 1997 represent amounts due the Judicial Expense Fund for criminal and civil fees which were earned during December of 1997 but were not remitted until subsequent to year end.

3. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets of the Judicial Expense Fund for the year ended December 31, 1997:

| | Balance 01/01/97 | Additions | Deletions | Balance 12/31/97 |
|------------------|---------------------|----------------|-------------|---------------------|
| Office Furniture | \$ 6,880 | \$ - | \$ - | \$ 6,880 |
| Office Equipment | <u>38,651</u> | <u>5,856</u> | <u>-</u> | <u>44,507</u> |
| Total | <u>\$45,531</u> | <u>\$5,856</u> | <u>\$ -</u> | <u>\$51,387</u> |

(Continued)

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT OF WINN PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1997

a. CHANGES IN CHILD SUPPORT AGENCY FUND

| | |
|--|-----------|
| Balance at January 1, 1997 | \$ 1 |
| <i>Additions:</i> | |
| Child Support Collections | 455,831 |
| <i>Reductions:</i> | |
| Remittances to DSS Support Enforcement | (436,169) |
| 3% Fee Paid to Hearing Officer Panel | (18,321) |
| Balance at December 31, 1997 | \$ 1,442 |

b. OTHER DISCLOSURES

There were no subsequent events, losses, or related party transactions that require disclosure in these notes to the December 31, 1997 financial statements.

(Continued)

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following independent auditors' report on compliance and on internal control over financial reporting are presented in compliance with the requirements of Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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ELBERT WHITE CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Douglas H. Allen
Eighth Judicial District Judge
Winfield, Louisiana 71883

We have audited the financial statements of the Eighth Judicial District Court Judicial Expense Fund as of and for the year ended December 31, 1997, and have issued our report thereon dated June 26, 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 financial statements are free of material misstatement, we performed tests of the Judicial Expense Fund's 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, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions 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 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 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 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 one matter involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the use of management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

White & Bates

White & Bates
Winnfield, Louisiana
June 26, 1998