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**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

Component Unit of the
Avoyelles Parish Police Jury
Marksville, Louisiana

Financial Statements

December 31, 1999

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 JUL 7 9 2000

Ducote & Company
Certified Public Accountants
P. O. Box 309
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Marksville, LA 71351

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

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Independent Auditors' Report


The Honorable Kerry Spruill, Judge
Twelfth Judicial District Court
Marksville, Louisiana

We have audited the accompanying general purpose financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 1999, as listed in the table of contents. These financial statements are the responsibility of the District Court's management. 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 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 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury as of December 31, 1999, 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 June 19, 2000 on our consideration of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws and regulations.


DUCOTE & COMPANY
Marksville, Louisiana
June 19, 2000

**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 Honorable Kerry Spruill, Judge
Twelfth Judicial District Court
Marksville, Louisiana

We have audited the general-purpose financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court, for the year ended December 31, 1999, and have issued our report thereon dated June 19, 2000. 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 of the Twelfth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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.

Honorable Spruill

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June 19, 2000

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twelfth Judicial District's Court'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 structure 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 no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of the governing body and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ducote & Company

DUCOTE & COMPANY

Marksville, Louisiana

June 19, 2000

**GENERAL PURPOSE
FINANCIAL STATEMENTS**
(combined statements - overview)

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
December 31, 1999**

	<u>Governmental Fund Type</u> <u>Special Revenue</u>	<u>Account Group</u> <u>General Fixed Assets</u>	<u>Totals (Memo Only)</u>
ASSETS			
Cash	\$ 44,037	\$ -	\$ 44,037
Accounts receivable	7,995	-	7,995
Prepaid expenses	1,821	-	1,821
Machinery and equipment	<u>-</u>	<u>28,720</u>	<u>28,720</u>
TOTAL ASSETS	<u>\$ 53,853</u>	<u>\$ 28,720</u>	<u>\$ 82,573</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 193	\$ -	\$ 193
Accrued expenses	<u>2,960</u>	<u>-</u>	<u>2,960</u>
Total Liabilities	<u>3,153</u>	<u>-</u>	<u>3,153</u>
Fund Equity:			
Investment in general fixed assets	-	28,720	28,720
Fund balance, unreserved	<u>50,700</u>	<u>-</u>	<u>50,700</u>
Total Fund Equity	<u>50,700</u>	<u>28,720</u>	<u>79,420</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 53,853</u>	<u>\$ 28,720</u>	<u>\$ 82,573</u>

The accompanying notes are an integral part of this financial statement.

**JUDICIAL EXPENSE FUND FOR THE
 TWELFTH JUDICIAL DISTRICT COURT
 SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended December 31, 1999**

REVENUES

Special assessment fees	\$ 93,557
Intergovernmental grants	38,825
Interest	<u>1,283</u>
Total revenues	<u>133,665</u>

EXPENDITURES

General government	
Salaries	106,082
Payroll taxes and insurance	16,929
Education and travel	5,496
Capital outlay	4,380
Other expenses	<u>6,521</u>
Total expenditures	<u>139,408</u>

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,743)
FUND BALANCE, BEGINNING	<u>56,443</u>
FUND BALANCE, ENDING	<u>\$ 50,700</u>

The accompanying notes are an integral part of this financial statement.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment fees	\$110,000	\$ 93,557	\$(16,443)
Intergovernmental grants	-	38,825	38,825
Interest	<u>-</u>	<u>1,283</u>	<u>1,283</u>
Total revenues	<u>110,000</u>	<u>133,665</u>	<u>23,665</u>
EXPENDITURES			
General government			
Salaries	86,800	106,082	(19,282)
Payroll taxes and insurance	28,640	16,929	11,711
Education and travel	20,000	5,496	14,504
Capital outlay	2,000	4,380	(2,380)
Other expenses	<u>3,000</u>	<u>6,521</u>	<u>(3,521)</u>
Total expenditures	<u>140,440</u>	<u>139,408</u>	<u>1,032</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(30,440)	(5,743)	24,697
FUND BALANCE, BEGINNING	<u>56,443</u>	<u>56,443</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 26,003</u>	<u>\$ 50,700</u>	<u>\$ 24,697</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Judicial Expense Fund of the Twelfth Judicial District Court was created by Louisiana R.S. 13:996.33. The accounting and reporting policies of the Judicial Expense Fund for the Twelfth Judicial District Court conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to requirements of Louisiana Revised Statutes 24:517.

The following is a summary of the more significant policies:

FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining component units of an oversight entity. The basic - but not the only - criterion for determining a component unit is the oversight's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but is not limited to,; 1) selection of governing authority; 2) the designation of management; and 3) the ability to significantly influence operations and accountability for fiscal matters.

The Judicial Expense Fund is a part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget.

Based on the above criteria it has been determined that the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana is a component unit of the Avoyelles Parish Police Jury.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND ACCOUNTING:

The accounts of the Court are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in *individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.*

GOVERNMENTAL FUND

Governmental funds account for all or most of the Judicial Expense Fund of the Twelfth Judicial District Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

GENERAL FIXED ASSETS GROUP

The general fixed assets group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this 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. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues are recognized when they become measurable and available as net current assets and expenditures are recognized when the related fund liability is incurred, if measurable.

BUDGETARY PRACTICES

In accordance with Louisiana Revised Statute 39:1301 through 39:1314, the Judicial Expense Fund of the Twelfth Judicial District Court is required to adopt an annual budget, but is not subject to the public participation laws as the proposed expenditures are less than \$250,000. All annual appropriations lapse at year end. Encumbrance accounting is not utilized.

CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS

The total columns presented in the combined financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. No consolidating entries or other eliminations were made in the aggregation of the totals; thus, they do not present consolidated information and do not purport to present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles.

NOTE 2 - CASH

At year end, the cash consisted of deposits with banks, with a carrying value of \$44,037 and a bank balance of \$46,508. The bank balance was fully covered by federal depository insurance.

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group for the year ended December 31, 1999:

	<u>Balance</u> <u>12/31/98</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/99</u>
Machinery and Equipment	\$ 24,340	\$ 4,380	\$ -	\$28,720
Total General Fixed Assets	\$ 24,340	\$ 4,380	\$ -	\$28,720

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 1999**

NOTE 4 – RECEIVABLES

The receivables of \$7,995 as of December 31, 1999, are as follows:

Intergovernmental:	
Local fees	\$5,030
Grants	<u>2,965</u>
	<u>\$7,995</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The payables of \$3,153 at December 31, 1999, are as follows:

Accounts	\$ 193
Withholdings	<u>2,960</u>
	<u>\$3,153</u>

NOTE 6 – GRANTS

The 12th Judicial District Court System was awarded a Court Delay Reduction Grant as a subgrantee of the Louisiana Commission on Law Enforcement and Administration of Criminal Justice. The grant is comprised of 75% federal funds and 25% local matching funds, with a grant period of August 1 through July 31.

The grant awards are as follows:

	Federal	Local	Total
August 1, 1998 through July 31, 1998	\$30,000	\$10,000	\$40,000
August 1, 1999 through July 31, 2000	26,575	8,858	35,433

The grant revenues are as follows:

	Federal	Local	Total
August 1, 1998 through July 31, 1998	\$18,000	\$ 6,000	\$24,000
August 1, 1999 through July 31, 2000	11,075	3,750	<u>14,825</u>
			<u>\$38,825</u>

SUPPLEMENTARY INFORMATION

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 1999**

Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Management Letter

None

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
CORRECTIVE ACTION PLAN FOR
CURRENT YEAR FINDINGS
Year Ended December 31, 1999**

Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Management Letter

None