

RECEIVED  
LEGISLATIVE AUDITOR  
00 JUN 16 AM 11:09

OFFICIAL  
FILE COPY

**DO NOT SEND OUT**

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

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND  
GRETNA, LOUISIANA**

**AUDITED FINANCIAL STATEMENTS**

*Year Ended 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 19 2000

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

TABLE OF CONTENTS  
December 31, 1999

	<b>PAGE</b>
INDEPENDENT AUDITORS' REPORT .....	1
 <b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>	
Combined Balance Sheet - Governmental Fund Type and General Fixed Assets Account Group .....	2
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type .....	3-4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - Budget (Budgetary Basis) and Actual .....	5-6
Notes to Financial Statements .....	7-10
 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 .....	 11-12

# *Kushner LaGraize, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA\*  
WILSON A. LAGRAIZE, JR., CPA  
ERNEST G. GELPI, CPA  
CRAIG M. FABACHER, CPA  
DOUGLAS W. FINLGAN, CPA  
MARY ANNE GARCIA, CPA

*\*A Louisiana Certified Public Accountant*

Members  
American Institute of CPAs  
Society of Louisiana CPAs  
SEC Practice Section of the  
AICPA Division For CPA Firms

## INDEPENDENT AUDITORS' REPORT

To the Judges of the  
Twenty-Fourth Judicial District Court  
Gretna, Louisiana

We have audited the accompanying general purpose financial statements of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court as of and for the year ended December 31, 1999. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court as of December 31, 1999, and the results of that Fund's 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 March 29, 2000, on our consideration of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court's compliance and internal control over financial reporting.

*Kushner LaGraize, L.L.P.*

Metairie, Louisiana  
March 29, 2000

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE  
AND GENERAL FIXED ASSETS ACCOUNT GROUP

December 31, 1999

	<u>General Fund</u>	<u>General Fixed Assets Account Group</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
Cash	\$ 1,280,069	\$ 0	\$ 1,280,069
Due from Clerk of Court	14,279	0	14,279
Accounts receivable - judges	5,760	0	5,760
Prepaid expenses	18,838	0	18,838
Furniture and equipment	0	674,756	674,756
Courtroom improvements	<u>0</u>	<u>427,216</u>	<u>427,216</u>
	<u>\$ 1,318,946</u>	<u>\$ 1,101,972</u>	<u>\$ 2,420,918</u>
 <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 5,963	\$ 0	\$ 5,963
 <b>EQUITY AND OTHER CREDITS</b>			
Investment in general fixed assets	0	1,101,972	1,101,972
Fund balance			
Designated for capital expenditures	800,000	0	800,000
Undesignated	<u>512,983</u>	<u>0</u>	<u>512,983</u>
Total fund balance	<u>1,312,983</u>	<u>0</u>	<u>1,312,983</u>
Total Equity and Other Credits	<u>1,312,983</u>	<u>1,101,972</u>	<u>2,414,955</u>
	<u>\$ 1,318,946</u>	<u>\$ 1,101,972</u>	<u>\$ 2,420,918</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE  
Year Ended December 31, 1999

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Clerk of Court fees	\$ 212,418
Bond fees	<u>163,886</u>
<b>TOTAL REVENUES</b>	<b>376,304</b>
 <b>EXPENDITURES</b>	
Current	
General government	
Auditing	4,550
Consulting fees	3,670
Dues and subscriptions	19,785
Equipment repairs and maintenance	20,700
Equipment rental	307
Insurance	17,853
Meetings	12,673
Miscellaneous	11,019
Noninventory equipment	16,999
Office supplies	20,140
Computer software	319
Secretary expense	13,167
Seminars	26,394
Capital outlay	<u>26,064</u>
<b>TOTAL EXPENDITURES</b>	<b><u>193,640</u></b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>182,664</b>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE - CONTINUED  
Year Ended December 31, 1999

	<u>GENERAL FUND</u>
OTHER FINANCING SOURCES	
Interest	\$ 51,785
Miscellaneous income	<u>3,288</u>
	<u>55,073</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	237,737
FUND BALANCE AT BEGINNING OF YEAR	<u>1,075,246</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,312,983</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
- GOVERNMENTAL FUND TYPE - BUDGET (BUDGETARY BASIS) AND ACTUAL

December 31, 1999

	GENERAL FUND				Variance Favorable (Unfavor- able)
	Actual	Adjustment to Budgetary Basis	Actual On Budgetary Basis	Budget	
<b>REVENUES</b>					
Clerk of Court fees	\$ 212,418	\$ 0	\$ 212,418	\$ 210,000	\$ 2,418
Bond fees	163,886	0	163,886	100,000	63,886
<b>TOTAL REVENUES</b>	<b>376,304</b>	<b>0</b>	<b>376,304</b>	<b>310,000</b>	<b>66,304</b>
<b>EXPENDITURES</b>					
Current					
General government					
Auditing	4,550	0	4,550	5,000	450
Bank charges	0	0	0	350	350
Consulting fees	3,670	0	3,670	10,000	6,330
Dues and subscriptions	19,785	0	19,785	19,000	(785)
Equipment repairs and maintenance	20,700	0	20,700	20,000	(700)
Equipment rental	307	0	307	500	193
Insurance	17,853	0	17,853	18,000	147
Meetings	12,673	0	12,673	11,000	(1,673)
Miscellaneous	11,019	0	11,019	9,000	(2,019)
Noninventory equipment	16,999	0	16,999	14,000	(2,999)
Office supplies	20,140	0	20,140	17,500	(2,640)
Computer software	319	0	319	10,000	9,681
Secretary expense	13,167	0	13,167	17,500	4,333
Seminars	26,394	0	26,394	32,500	6,106
Capital outlay	26,064	0	26,064	120,000	93,936
<b>TOTAL EXPENDITURES</b>	<b>193,640</b>	<b>0</b>	<b>193,640</b>	<b>304,350</b>	<b>110,710</b>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
- GOVERNMENTAL FUND TYPE - BUDGET (BUDGETARY BASIS) AND ACTUAL  
- CONTINUED  
December 31, 1999

	GENERAL FUND				Variance Favorable (Unfavor- able)
	Actual	Adjustment to Budgetary Basis	Actual On Budgetary Basis	Budget	
EXCESS OF REVENUES OVER EXPENDITURES	\$ 182,664	\$ 0	\$ 182,664	\$ 5,650	\$ 177,014
OTHER FINANCING SOURCES					
Interest	51,785	0	51,785	33,000	18,785
Miscellaneous income	3,288	0	3,288	1,000	2,288
	<u>55,073</u>	<u>0</u>	<u>55,073</u>	<u>34,000</u>	<u>21,073</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	237,737	0	237,737	<u>\$ 39,650</u>	<u>\$ 198,087</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>1,075,246</u>	<u>0</u>	<u>1,075,246</u>		
FUND BALANCE AT END OF YEAR	<u>\$ 1,312,983</u>	<u>\$ 0</u>	<u>\$ 1,312,983</u>		



**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**  
NOTES TO FINANCIAL STATEMENTS  
*December 31, 1999*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court (the Fund) is presented to assist in understanding the Fund's financial statements. The financial statements and notes are representations of the management of the Fund, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles as applied to governmental units, and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

***Financial Reporting Entity***

As provided by Revised Statutes 13:994,995, the Fund was created for the purpose or purposes related to the proper administration or function of the Twenty-Fourth Judicial District Court or the offices of the individual judges of the Twenty-Fourth Judicial District Court.

As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government and its component units. The accompanying financial statements present the Fund as the primary government. No other organization was determined to be a component unit of the Fund. Therefore, no blended or discretely presented component units are presented in the accompanying financial statements.

***Fund Accounting***

The accounts of the Fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts which are maintained for the purpose of carrying on special activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. 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.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Fund Accounting (cont'd)***

The fund has the following fund type and account group:

1. **Governmental Fund** - *General Fund* - The General Fund is the general operating fund of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court. It is used to account for all financial resources.
2. **Account Group** - *General Fixed Assets Account Group* - This account group is established to account for all fixed assets of the Fund.

***Basis of Accounting***

The modified accrual basis of accounting is used by governmental fund types and agency funds. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities within the current period.

Revenues are considered measurable and available when received by the Clerk of Court or the District Attorney, or by the Fund within 60 days after the current year ended. Expenditures are generally recorded when the liability is incurred.

***Budgetary Accounting***

The administration of the Fund prepares an annual budget for the General Fund. The budget is legally enacted and amended through an en banc meeting of the judges. The budget is prepared primarily on the modified accrual basis of accounting, except that losses resulting from claims and litigation are recorded when paid instead of when the liability arises.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - Budget (Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on the budgetary basis. Budgeted amounts are as originally adopted or as finally amended by the judges.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Encumbrances***

Encumbrances are not recorded, and therefore, no reservation of fund balance is necessary.

***Receivables***

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account. No allowance was established at December 31, 1999, because all accounts receivable were considered to be collectible.

***General Fixed Assets***

Fixed assets used in governmental fund type operations (general fixed assets) are recorded in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation is not recorded on general fixed assets.

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 donated.

***Fund Equity***

Designated fund balances represent tentative plans for future use of financial resources. Such plans are subject to change and may never be legally authorized or result in expenditures.

***Total Columns on Combined Statements***

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles.

NOTE 2 - CASH DEPOSITS

At December 31, 1999, the carrying amount of the Fund's deposits was \$1,280,069 and the bank balance was \$1,281,353 of which \$100,000 was covered by federal depository insurance and \$1,181,353 was collateralized with securities held by the pledging financial institutions' agent in the Fund's name.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1999

NOTE 3 - GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in General Fixed Assets during the year is as follows:

	<u>Balance 01/01/99</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Balance 12/31/99</u>
Furniture and equipment	\$ 869,268	\$ 26,064	\$ 220,576	\$ 674,756
Courtroom improvements	<u>427,216</u>	<u>0</u>	<u>0</u>	<u>427,216</u>
	<u>\$ 1,296,484</u>	<u>\$ 26,064</u>	<u>\$ 220,576</u>	<u>\$ 1,101,972</u>

# *Kushner LaGraize, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA\*  
WILSON A. LAGRAIZE, JR., CPA  
ERNEST G. GELPI, CPA  
CRAIG M. FABACHER, CPA  
DOUGLAS W. FINEGAN, CPA  
MARY ANNE GARCIA, CPA

*\*A Professional Accounting Corporation*

Members  
American Institute of CPAs  
Society of Louisiana CPAs  
SEC Practice Section of IBA  
AICPA Division I for CPA Firms

## 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

To the Judges of the  
Twenty-Fourth Judicial District Court  
Gretna, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court (the Fund), as of and for the year ended December 31, 1999, and have issued our report thereon dated March 29, 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 Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 - CONTINUED

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Kushner LaGraize, L.L.P.*

Metairie, Louisiana  
March 29, 2000