

OFFICIAL
FILE COPY

DO NOT SEND OUT

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

38TH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
COMPONENT UNIT FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1995

Under provisions of state law, this
report is a public document. A

copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-21-96

RECEIVED
LEGISLATIVE AUDITOR
95 JUL -1 PM 3:53

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1
COMPONENT UNIT FINANCIAL STATEMENTS		
Combined Balance Sheet - General Fund and Account Group	A	2
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	B	3
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund	C	4
Notes to Financial Statements		5- 8
INTERNAL CONTROL AND COMPLIANCE REPORTS		
Independent Auditors' Report on Internal Control Structure in Accordance with <u>Government Auditing Standards</u>		9-10
Independent Auditors' Report on Compliance with Laws and Regulations Based on an Audit of Financial Statements in Accordance with <u>Government Auditing Standards</u>		11



INDEPENDENT AUDITORS' REPORT

Honorable Judge H. Ward Fontenot
38th Judicial District Court Judicial Expense Fund
Cameron, Louisiana

We have audited the accompanying component unit financial statements of the 38th Judicial District Court Judicial Expense Fund as of December 31, 1995, and for the year then ended, as listed in the Table of Contents. These component unit financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the 38th Judicial District Court Judicial Expense Fund as of December 31, 1995, 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 May 28, 1996 on our consideration of the District's internal control structure and a report dated May 28, 1996 on its compliance with laws and regulations.

Gus Schram & Co., Ltd.

May 28, 1996

THIRTY-EIGHTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 CAMERON, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES
 AND ACCOUNT GROUPS
 As of December 31, 1995

Statement A

	<u>Governmental</u> <u>Fund Type</u>	Account Group	TOTALS (Memorandum Only) 1995
	General Fund	General Fixed Assets	
ASSETS			
Cash in bank	\$ 7,616	\$	\$ 7,616
Due from Other Governments	2,090		2,090
Equipment (Note 3)		17,165	17,165
TOTAL ASSETS	\$ 9,706	\$ 17,165	\$ 26,871
LIABILITIES & FUND EQUITY			
Liabilities:			
Salaries Payable	\$ 54		54
Accrued payroll taxes	27		27
Total Liabilities	\$ 81		81
FUND EQUITY			
Investment in general fixed assets		17,165	17,165
Fund balance:			
Unreserved - undesignated	9,625		9,625
Total Fund Equity	9,625	17,165	26,790
 TOTAL LIABILITIES & FUND EQUITY	 \$ 9,706	 \$ 17,165	 \$ 26,871

"The Accompanying Notes are an Integral Part of this Statement."

THIRTY-EIGHTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 CAMERON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - GENERAL FUND
 For the Year Ended December 31, 1995

Statement B

	1995
REVENUES	
Fees	\$ 21,751
EXPENDITURES	
Judicial	
Audit Fees	1,902
Dues and Subscriptions	176
Miscellaneous	538
Salaries and Payroll Taxes	714
Seminars and Travel	12,369
Supplies	303
Telephone	1,398
Capital Outlay	4,507
Total Expenditures	21,907
Excess (deficiency) of revenues over expenditures	(156)
Fund Balances-January 1	9,781
Fund Balances-December 31	\$ 9,625

"The Accompanying Notes are an Integral Part of this Statement."

THIRTY-EIGHTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 CAMERON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended December 31, 1995

Statement C

	Budget	Actual	Variance Variable (Unvariable)
REVENUES			
Fees	\$ 23,000	\$ 21,751	\$ (1,249)
EXPENDITURES			
Judicial			
Audit Fees	2,000	1,902	98
Dues and Subscriptions	200	176	24
Miscellaneous	450	538	(88)
Salaries and Payroll Taxes	700	714	(14)
Seminars and Travel	10,300	12,369	(2,069)
Supplies	100	303	(203)
Telephone	1,500	1,398	102
Capital Outlay	5,500	4,507	993
Total Expenditures	20,750	21,907	(1,157)
Excess (deficiency) of revenues over expenditures	2,250	(156)	(2,406)
Fund Balances-January 1	9,781	9,781	0
Fund Balances-December 31	\$ 12,031	\$ 9,625	\$ (2,406)

"The Accompanying Notes are an Integral Part of this Statement."

38TH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The 38th Judicial District Court Judicial Expense Fund was created by Louisiana Revised Statute 13:996.51. This fund was established "for any purpose or purposes connected with, incidental to, or related to the proper administration or function of the court or the offices of the individual judges and is supplemental and in addition to any and all other funds, salaries, expenses, or other monies provided, authorized, or established by law for any such purposes." Until September, 1992, the accounting for these funds was performed by the Cameron Parish Police Jury. At that time, the District Judge authorized the remaining funds under the Police Jury's control to be transferred to the Criminal Court Fund to be used to offset expenses of the District Court. Any new collections and subsequent disbursements were accounted for through this fund.

This fund is a function of the Cameron Parish District Court system, which is a component unit of the Cameron Parish Police Jury, and as such this fund is also a component unit of the Cameron Parish Police Jury. This report includes all of the funds relating to the Judicial Expense Fund itself as of December 31, 1995 but not the District Court.

B. PRESENTATION OF STATEMENTS

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. GASB has since then reissued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by Audits of State and

Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; and, the Louisiana Governmental Audit Guide.

C. FUND ACCOUNTING

The Agency uses funds and account groups to report 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 governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the 38th Judicial District Court Judicial Expense Fund are classified as a governmental fund type (general fund). The fund accounts for the 38th Judicial District Court Judicial Expense Fund's collection and subsequent disbursement of the specifically designated fee collected by the clerk of court or sheriff from every defendant who is convicted after trial or after plea of guilty, or who forfeits his bond.

Account Groups are used to establish accounting control and accountability for the Fund's general fixed assets. The general fixed assets account group is established to account for the fixed assets purchased with Judicial Expense Funds. Fixed assets are recorded at cost or estimated historical cost. Assets in this account group are not depreciated.

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.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. The Fund does not consider the collections described above to be susceptible to accrual.

MANAGEMENT LETTER
COMMENTS AND SUGGESTIONS

CURRENT YEAR COMMENTS:

1. Review of Budget Amendments:

Finding: Louisiana Revised Statute 39:1301 states that a political subdivision, including judges but only insofar as the judicial expense fund, shall prepare and adopt a budget in accordance with the above statute. The Fund did prepare and adopt the 1995 budget November 29, 1994. However, state law also requires an amendment if the unfavorable revenue or expenditure variance exceeds 5%. The Fund had minor revenue and expenditure variances which were not amended.

Recommendation: We recommend that the Fund increase its review of the monitoring process for variances exceeding 5%.

2. Review of Various Expenditures:

Finding: Certain expenditures were made for reimbursement of transportation costs, which the Internal Revenue Service considers "commuting expenditures." The Internal Revenue Service requires that amounts received by an employee from an employer, as reimbursement for commuting expenditures, be included in the employee's gross income.

Recommendation: We recommend that any reimbursements of this type, after 1995, should be treated as income to the recipient and reported appropriately on the various payroll reporting forms. Similarly, other reimbursements for certain expenditures which would be considered "taxable fringe benefits" be likewise reported to the recipient as income. During our audit, we also verbally recommended that the Fund obtain a current Form W-4 (or any other required employment form) from the Fund's employee.