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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, 1995

MAJOR & DUCOTE
CERTIFIED PUBLIC ACCOUNTANTS
P. O. Box 309
219 North Washington Street
Marksville, LA 71351

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 7-24-96

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

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Independent Auditors' Report

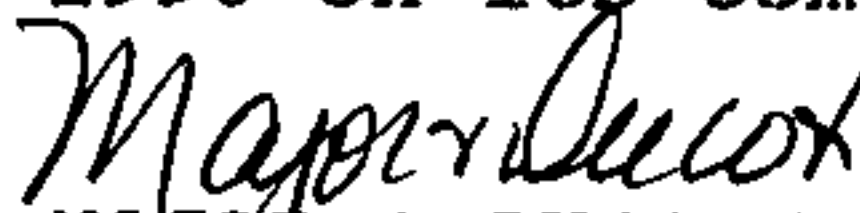
The Honorable Michael J. Johnson, Judge
Twelfth Judicial District Court
Marksville, Louisiana

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, 1995, 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, 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 June 7, 1996 on our consideration of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control structure and a report dated June 7, 1996 on its compliance with laws and regulations.


MAJOR & DUCOTE
Marksville, Louisiana
June 7, 1996

***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, 1995

	<u>Governmental Fund Type</u>	<u>Account Group</u>		<u>Totals (Memo Only)</u>
	<u>Special Revenue</u>	<u>General Fixed Assets</u>		
 <u>ASSETS</u>				
Cash	\$75,401	\$ -		\$75,401
Accts Receivable	5,190	-		5,190
Machinery & Equipment	<u>-</u>	<u>4,012</u>		<u>4,012</u>
 Total Assets	 <u>\$80,591</u>	 <u>\$ 4,012</u>		 <u>\$84,603</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 675	\$ -		\$ 675
Accrued expenses	<u>186</u>	<u>-</u>		<u>186</u>
 Total Liabilities	 <u>861</u>	 <u>-</u>		 <u>861</u>
 Fund Equity:				
Investment in general fixed assets	-	4,012		4,012
Fund balance, unreserved	<u>79,730</u>	<u>-</u>		<u>79,730</u>
 Total Fund Equity	 <u>79,730</u>	 <u>4,012</u>		 <u>83,742</u>
 Total Liabilities and Fund Equity	 <u>\$80,591</u>	 <u>\$ 4,012</u>		 <u>\$84,603</u>

The accompanying notes are an integral part of this 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, 1995

REVENUES

Special assessment fees	\$67,933
Interest	<u>1,899</u>
Total revenues	<u>69,832</u>

EXPENDITURES

General government	
Salaries	50,400
Payroll taxes and insurance	6,172
Education and travel	465
Other expenses	<u>4,540</u>
Total expenditures	<u>61,577</u>

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	8,255
FUND BALANCE, BEGINNING	<u>71,475</u>
FUND BALANCE, ENDING	<u>\$79,730</u>

The accompanying notes are an integral part of this statement.

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

**SPECIAL REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Special assessment fees	\$67,000	\$67,933	\$ 933
Interest	<u>-</u>	<u>1,899</u>	<u>1,899</u>
Total revenues	<u>67,000</u>	<u>69,832</u>	<u>2,832</u>
<u>EXPENDITURES</u>			
General government			
Salaries	58,000	50,400	7,600
Payroll taxes and insurance	7,000	6,172	828
Education and travel	1,400	465	935
Other expenses	<u>200</u>	<u>4,540</u>	<u>(4,340)</u>
Total expenditures	<u>66,600</u>	<u>61,577</u>	<u>5,023</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	400	8,255	7,855
FUND BALANCE, BEGINNING	<u>71,475</u>	<u>71,475</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$71,875</u>	<u>\$79,730</u>	<u>\$ 7,855</u>

The accompanying notes are an integral part of this statement.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Judicial Expense Court 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 policy jury is that the policy 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, 1995**

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:

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.

BASIS OF ACCOUNTING:

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

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

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$75,401 and a bank balance of \$80,076. 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, 1995:

	<u>Balance</u> <u>12/31/94</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/95</u>
Machinery & Equipment	\$ <u>4,012</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>4,012</u>
Total general fixed assets	\$ <u>4,012</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>4,012</u>

SUPPLEMENTARY INFORMATION

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

The following pages contain reports on the internal control structure and compliance with laws and regulations required by Governmental Auditing Standards, issued by the Comptroller General of The United States. The report on internal control structure is based on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Michael J. Johnson, 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 of Louisiana, a component unit of the Avoyelles Parish Police Jury as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.


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.

Compliance with laws, regulations, and contracts applicable to the Judicial Expense Fund of the Twelfth Judicial District Court is the responsibility of Twelfth Judicial District Court's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Judicial Expense Fund of the Twelfth Judicial District Court's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Judge Johnson
Page 2
June 7, 1996

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management and the Legislative Auditor for the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


MAJOR & DUCOTE
Marksville, Louisiana
June 7, 1996

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Michael J. Johnson, Judge
Twelfth Judicial District Court
Marksville, LA

We have audited the 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 for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We have 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.

The management of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any

Judge Johnson
Page 2
June 7, 1996

evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

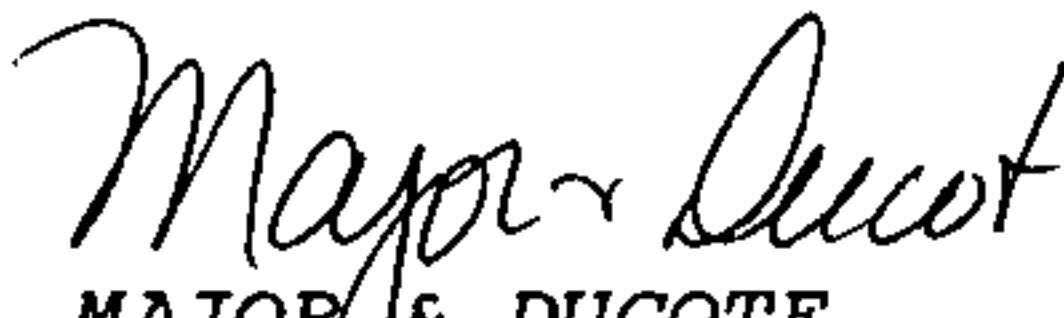
Finding:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action is recommended.
Management's response:	We concur in the finding.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Judge Johnson
Page 3
June 7, 1996

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition noted above to a material weakness.

This report is intended for the information of management and the Legislative Auditor for the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


MAJOR & DUCOTE
Marksville, Louisiana
June 7, 1996