



# THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND

Coffey, Louisiana

## REPORT ON FINANCIAL STATEMENTS

As of and For the Year Ended December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 JUL 23 1997

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May 1, 1997

INDEPENDENT AUDITORS' REPORT

Honorable Allen Kraker, Louisiana State District Judge  
Thirty-Fifth Judicial District Court  
200 Main Street, Suite 202  
Cottier, Louisiana 71417

We have audited the accompanying financial statements of the Thirty-Fifth Judicial District Expense Fund as of and for the year ended December 31, 1996. These financial statements are the responsibility of Management of the Thirty-Fifth Judicial District. 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 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the financial transactions of the Judicial Expense Fund, a fund administered by the Thirty-Fifth Judicial District Court, a Component Unit of the Grant Parish Police Jury.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Thirty-Fifth Judicial District Expense Fund as of December 31, 1996, 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 1, 1997, on our consideration of the Thirty-Fifth Judicial District Expense Fund's internal control structure and a report dated May 1, 1997, on its compliance with laws and regulations.

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND  
BALANCE SHEET  
December 31, 1995

ASSETS:

Cash (Note 2)	\$29,495
Accounts Receivable (Note 3)	<u>1,695</u>
Total Assets	\$31,190

LIABILITIES:

Current Liabilities - Accounts Payable	\$4,852
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FUND EQUITY:

Unreserved Fund Balance	<u>26,337</u>
Total Liabilities and Fund Equity	\$31,190

The accompanying notes are an integral part of these financial statements.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 For the Year Ended December 31, 1996

REVENUES:

Fees and Fines	\$ 40,722
State Funds	5,021
Other	<u>2,717</u>
Total Revenues	<u>48,460</u>

EXPENDITURES

Telephone	3,261
Library	7,373
Supplies	3,250
Supplemental Salaries	11,100
Seminars, Meetings, & Continuing Education	12,963
Professional Fees	3,300
Repairs & Maintenance	755
Miscellaneous	443
Capital Expenditures	851
Payroll Tax Expense	971
Travel	<u>1,417</u>
Total Expenditures	<u>45,829</u>
Excess (Deficiency) of Revenues Over Expenditures	2,631
Fund Balance - Beginning of Year	<u>15,623</u>
Fund Balance - End of Year	<u>\$ 18,254</u>

The accompanying notes are an integral part of these financial statements.

**THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Budget and Actual**  
**For the Year Ended December 31, 1996**

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>			
Fees and Fines	\$ 30,000	\$ 40,732	\$ 4,732
State Funds	4,000	5,123	1,123
Other	<u>1,300</u>	<u>4,712</u>	<u>1,212</u>
Total Revenues	<u>41,300</u>	<u>48,567</u>	<u>2,962</u>
<b>EXPENDITURES:</b>			
Telephone	6,000	3,261	2,739
Insurance	3,600	2,800	2,800
Library	16,500	7,373	3,127
Supplies	3,300	3,350	2,150
Supplemental Salaries	11,000	11,592	(159)
Seminars, Meetings, & Continuing Education	10,000	12,503	(2,503)
Professional Fees	4,000	3,300	700
Repairs & Maintenance	4,000	755	3,245
Miscellaneous	3,000	443	2,557
Capital Expenditures	7,000	851	6,149
Payroll Tax Expense		603	(671)
Travel	<u>          </u>	<u>1,427</u>	<u>(1,417)</u>
Total Expenditures	<u>63,000</u>	<u>45,878</u>	<u>17,122</u>
Excess of Revenues Over Expenditures	(21,500)	3,084	24,184
Fund Balance - Beginning of Year	<u>35,623</u>	<u>35,623</u>	<u>          </u>
Fund Balance - End of Year	<u>\$ 14,123</u>	<u>\$ 38,507</u>	<u>\$ 24,184</u>

The accompanying notes are an integral part of these financial statements.

**THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 1996**

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

**Organization and Reporting Entity**

The Thirty-Fifth Judicial District was established under the laws of the State of Louisiana for the purpose of creating a State District Court having jurisdiction over Grant Parish, Louisiana. The District receives fees and other fees which are assessed from persons participating in the judicial process. The Judicial Expense Fund was established to account for the receipt of these revenues. The revenues collected may be expended for any purpose to supplement the proper administration of the Court or the Office of the Judge.

The accompanying financial statements present only the financial transactions of the Thirty-Fifth Judicial Expense Fund, a fund administered by the Thirty-Fifth Judicial Court, which is a Component Unit of Grant Parish Police Jury. The financial statements are not intended to present financial position and results of operations for the Thirty-Fifth Judicial District Court or the Grant Parish Police Jury.

**Basis of Presentation**

The accompanying financial statements of the Thirty-Fifth Judicial District 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.

**Fund Accounting**

The Thirty-Fifth Judicial District Expense Fund is organized and operated on a fund basis whereby a self-balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenue and expenditures.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis applied. The Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it becomes both measurable and available, and expenditures are recognized when a liability has been incurred.

**Budgets**

Budgets are prepared annually by the Judicial staff and approved by the District Judge. Any necessary amendments are approved prior to the end of each year. Amended budgets are prepared and approved in the same manner as the initial budget.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1996

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At December 31, 1996, cash and cash equivalents (book balance) totaled \$39,495. The collected bank balance of \$39,182 was fully insured by the Federal Deposit Insurance Corporation at December 31, 1996.

**NOTE 3 - RECEIVABLES**

Accounts receivable at year end totaled \$1,695. The entire amount is composed of Fees and Fines, and it is considered fully collectible.



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May 1, 1997

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

Honorable Allen Kratoch  
Louisiana State District Judge  
Thirty-Fifth Judicial District Court  
200 Main Street, Suite 200  
Coffey, Louisiana 71417

We have audited the financial statements of the Thirty-Fifth Judicial District Expense Fund, as of and for the year ended December 31, 1996 and have issued our report thereon dated May 1, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The management of the Thirty-Fifth Judicial District Expense Fund 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 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.

Honorable Allen Krake  
Louisiana State District Judge  
Thirty-Fifth Judicial District Court  
May 1, 1997  
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In planning and performing our audit of the financial statements of the Thirty-Fifth Judicial District Expense Fund as of and for the year ended December 31, 1996, 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 general purpose financial statements.

#### Supporting Documentation.


As part of our audit we performed a detailed analysis of certain expenditures. Based on these procedures, we have determined that a portion of the expenditures were not supported by documentation. Furthermore, we encountered a transaction where the available documentation did not demonstrate a clear relationship between the expenditure and the administration of judicial affairs.

Our findings indicate that the problems involving supporting documentation were isolated, however, procedures are needed to ensure that documentation is retained that will support all future expenditures. In addition, the documentation should demonstrate that the expenditure is related to the administration of judicial affairs.

A material weakness is a reportable condition in which the design or operation of one or more of the 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 general purpose 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.

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 some of the reportable conditions described above is a material weakness.

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

  
ROGER HARRINGTON & McKEY, CPAs  
Certified Public Accountants

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May 1, 1997

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

Honorable Allen Kratoch  
Louisiana State District Judge  
Thirty-Fifth Judicial District Court  
300 Main Street, Suite 202  
Coffee, Louisiana 71417

We have audited the financial statements of the Thirty-Fifth Judicial District Expense Fund as of and for the year ended December 31, 1996, and have issued our report thereon dated May 1, 1997.

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, contracts, and grants applicable to the Thirty-Fifth Judicial District Expense Fund is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. 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.

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

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

ROZIER, HARRINGTON & MCKAY - CPAs  
Certified Public Accountants