

RUSTON CITY JUDGE'S OFFICE
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES -- GOVERNMENTAL FUND TYPE
 FOR YEAR ENDED SEPTEMBER 30, 1995
 WITH COMPARATIVE TOTALS FOR THE
 YEAR ENDED SEPTEMBER 30, 1994

	<u>1995</u>	<u>1994</u>
REVENUES		
Fines and Court Costs	\$ 111,980	\$ 54,552
Grant Revenue	29,000	29,250
Interest Income	3,512	1,458
On-Behalf Revenue	<u>112,642</u>	<u>103,271</u>
TOTAL REVENUES	264,644	228,271
EXPENDITURES		
Accounting - Auditing	6,000	6,250
Capital Outlay	18,608	6,400
Community Development	0	570
Continuing Education Conferences	1,300	2,500
Contract Services	5,014	800
Dues	1,070	1,290
Insurance	1,711	1,712
Judge Ad Hoc	1,700	1,590
Juvenile Fines - DA	7,407	4,780
Juvenile Probation	2,400	2,400
Library	2,402	2,100
Office Supplies and Expense	22,514	18,201
On-Behalf Expenses	112,642	103,071
Repairs - Maintenance	1,854	2,100
Retirement Contributions	4,687	4,555
Taxes	2,658	1,500
Telephone	1,645	1,070
Travel - Seminars	5,678	6,058
Wages	<u>43,520</u>	<u>34,907</u>
TOTAL EXPENDITURES	<u>241,212</u>	<u>203,290</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,731	28,021
FUND BALANCE -- BEGINNING	<u>41,300</u>	<u>15,609</u>
FUND BALANCE -- ENDING	\$ <u>54,031</u>	\$ <u>41,630</u>

The accompanying notes are an integral part of this statement.

RUSTON CITY JUDGE'S OFFICE
COMBINED BALANCE SHEET -- ALL FUND TYPES AND ACCOUNT GROUP
SEPTEMBER 30, 1995

	Governmental	Fiduciary	Account	Totals	
	Fund Type	Fund Type	Group	[Memorandum Only]	
	General	Agency	General	1995	1995
			Fixed Assets		
ASSETS					
Cash	\$ 57,068	\$ 57,166	0	\$ 114,234	\$ 114,234
Due From --					
Other Funds	943	0	0	943	1,029
Governmental Units	3,278	0	0	3,278	5,585
Insurance Deposit	348	0	0	348	348
Office Furniture and Equipment	0	0	89,991	89,991	82,013
TOTAL ASSETS	\$ 61,634	\$ 57,166	\$ 89,991	\$ 221,671	\$ 199,500
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 5,955	0	0	\$ 5,955	\$ 2,005
Accrued Liabilities	3,116	0	0	3,116	2,804
Accrued Fees (Earned)	0	58,508	0	58,508	30,100
Civil Deposits	0	9,625	0	9,625	10,932
Due To --					
Other Funds	0	943	0	943	1,029
Governmental Units	1,892	0	0	1,892	384
TOTAL LIABILITIES	10,963	67,166	0	78,129	64,666
FUND EQUITY					
Investment in General Fixed Assets	0	0	89,991	89,991	82,013
Fund Balance --					
Unreserved and Undesignated	54,671	0	0	54,671	41,565
TOTAL FUND EQUITY	54,671	0	89,991	144,662	123,648
TOTAL LIABILITIES AND FUND EQUITY	\$ 65,634	\$ 57,166	\$ 89,991	\$ 221,671	\$ 199,500

The accompanying notes are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS -- OVERVIEW)

DON M. McCAHEE
(A Professional Accounting Corporation)
P.O. Box 1344
808 North Street
Ruston, Louisiana 71273-1344

INDEPENDENT AUDITOR'S REPORT

Ruston City Judge's Office
P. O. Box 1821
Ruston, Louisiana 71273 - 1821

I have audited the general purpose financial statements of the Ruston City Judge's Office, a component unit of the City of Ruston, as of and for the year ended September 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Ruston City Judge's Office management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I 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 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 financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ruston City Judge's Office as of September 30, 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, I have also issued a report dated November 4, 1996, on my consideration of the Ruston City Judge's Office internal control structure and a report dated November 4, 1996, on its compliance with laws and regulations.



Don M. McCahee
Certified Public Accountant

November 4, 1996

RUSTON CITY JUDGE'S OFFICE
FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

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PROCEEDS
BOARD OF COMMISSIONERS
SEPTEMBER 30, 1990

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RUSTON CITY JUDGE'S OFFICE
RUSTON, LOUISIANA

FINANCIAL STATEMENTS
SEPTEMBER 30, 1990

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and other appropriate public officials. The report is available for public inspection at the Ruston Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 26 1991

**RUSTON CITY JUDGE'S OFFICE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Vacation and Sick Leave

Vacation and sick leave are noncumulative. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year-end.

G. Total Column on Combined Statement— Overview

Total column on the combined statement—overview is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

H. Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Ruston City Judge's Office financial position and operations. Certain amounts for 1995 have been reclassified to conform to the 1996 presentation.

NOTE 2 – CASH IN BANK

Cash consists of interest bearing and non-interest bearing demand deposits. Under state law, the city judge may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Deposits are carried at cost which approximates market value. At September 30, 1998, the carrying amount of deposits was \$128,231 and the bank balance was \$140,601. The bank balance was covered by federal depository insurance.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at September 30, 1998, consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund – Due From Civil Fund	\$943	
Agency Fund – Due To General Fund		\$943

NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at September 30, consisted of the following:

	1998	1995
Fines and Court Costs due from the Ruston Ward Marshal	\$ 3,278	\$ 3,555

RUSTON CITY JUDGE'S OFFICE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 10/1/95	Additions	Deletions	Balance 9/30/96
Office Furniture and Equipment	\$ 82,013	\$ 16,504	\$ 9,206	\$ 89,311
Total General Fixed Assets	\$ 82,013	\$ 16,504	\$ 9,206	\$ 89,311

NOTE 6 - PENSION PLAN

The Ruston City Judge's Office provides retirement benefits to some court employees through contributions to the Louisiana State Employment Retirement System, a cost sharing multiple-employer defined benefit pension plan administered and controlled by a Board of Trustees. The retirement system provides retirement, disability, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The retirement system issues a publicly available financial report. That report may be obtained by writing to Louisiana State Employees' Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling 1-800-256-3000.

Plan members are required to contribute 11.8% of their annual covered salary and the Ruston City Judge's Office is required to contribute at an actuarially determined rate. The current rate is 12.4% of annual covered payroll. The contribution requirements of plan members are established and amended by the Louisiana Legislature and contribution requirements of employers are established annually by the Board of Trustees based upon actuarially determined rates. The Ruston City Judge's Office made contributions for the years ending September 30, 1996, 1995, and 1994 of \$4,697, \$4,966, and \$2,803, respectively, equal to the required contributions for each year.

NOTE 7 - GRANT CONTRACT

Effective January 1, 1996, the Ruston City Judge's Office entered into a contract with the State of Louisiana, Department of Social Services, Office of Community Services, to provide services for the Administration and Implementation of Families in Need of Services, Title III of the Louisiana Children's Code, within the Third Judicial District. The Judge's Office agreed to provide certain services under the contract, and received \$28,000 from the State of Louisiana for their commitment. The contract will expire December 31, 1996. Continuation of the contract is contingent upon the appropriation of funds by the Louisiana legislature.

**RUSTON CITY JUDGE'S OFFICE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1995**

NOTE 8 – FIDUCIARY FUND

The Ruston City Judge's Office collects deposits from and makes remittances on behalf of citizens who have brought a civil suit to the court. A summary of changes in assets and liabilities are as follows for the year ended September 30, 1995:

	Balance 10/1/94	Additions	Deletions	Balance 9/30/95
Assets				
Cash in Banks	\$ 59,111	\$ 169,761	\$ 161,758	\$ 67,166
Total Assets	<u>\$ 59,111</u>	<u>\$ 169,761</u>	<u>\$ 161,758</u>	<u>\$ 67,166</u>
Liabilities				
Due to General Fund	\$ 1,039	\$ 1,210	\$ 1,305	\$ 949
Civil Deposits	58,892	168,607	177,874	6,626
Accrued Fees Earned	39,190	55,769	26,380	68,579
Total Liabilities	<u>\$ 99,111</u>	<u>\$ 225,586</u>	<u>\$ 215,559</u>	<u>\$ 67,166</u>

NOTE 9 – ON-BEHALF PAYMENTS

Employees of the Ruston City Judge's Office received salaries and fringe benefits from the City of Ruston, Lincoln Parish Police Jury, and the State of Louisiana. The following is a summary of these on-behalf payments:

	1994	1995
Salaries	\$ 66,171	\$ 61,465
Fringe Benefits	24,471	22,476
Total On-Behalf Payments	<u>\$ 112,642</u>	<u>\$ 103,971</u>

Fringe benefits paid by the City of Ruston, Lincoln Parish Police Jury, and the State of Louisiana include pension plan contributions to the Louisiana State Employees' Retirement System. The City of Ruston also makes pension plan contributions to the Municipal Employees' Retirement System of Louisiana.

NOTE 10 – RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

As of October 1, 1995, the Ruston City Judge's Office implemented GASB Statement 24 requiring on-behalf payments to be recognized as revenue and expenditures. During the year ended September 30, 1995, the Judge's Office determined the on-behalf payments for the year ended September 30, 1995. The 1995 financial statements were restated to include on-behalf payments as presented in the accompanying financial statements.

The restatement of the 1995 financial statements had no effect on fund balances.

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

Ruston City Judge's Office
P.O. Box 1821
Ruston, Louisiana 71273-1821

I have audited the general purpose financial statements of Ruston City Judge's Office, a component unit of the City of Ruston, for the year ended September 30, 1995, and have issued my report thereon dated November 4, 1995.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Ruston City Judge's Office is responsible for establishing and maintaining a system of 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 the general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of 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.

In planning and performing my audit of the general purpose financial statements of Ruston City Judge's Office for the year ended September 30, 1995, I obtained an understanding of internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Ruston City Judge's Office's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Any adequate structure of internal control includes provisions that separate the duties of handling and recording cash transactions. Due to Ruston City Judge's Office having only a limited number of personnel, the separation of duties is not feasible. Therefore, the internal control structure is inadequate.

A material weakness is a reportable condition in which the design or operation 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 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.

My 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, I believe the above mentioned reportable condition to be a material weakness as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the Ruston City Judge's Office for the year ended September 30, 1995.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the Ruston City Judge's Office in a separate letter dated November 4, 1995.

This report is intended for the use of the management of the Ruston City Judge's Office and the Legislative Auditor of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Don M. McGhee
Certified Public Accountant

November 4, 1995

DON M. McGENEE
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Ruston City Judge's Office
P.O. Box 1821
Ruston, Louisiana 71273-1821

I have audited the general purpose financial statements of Ruston City Judge's Office, a component unit of the City of Ruston, for the year ended September 30, 1995, and have issued my report thereon dated November 4, 1995.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Ruston City Judge's Office is the responsibility of the management of the Ruston City Judge's Office. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Ruston City Judge's Office's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my test disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

I noted certain immaterial instances of non-compliance that I have reported to the management of the Ruston City Judge's Office in a separate letter dated November 4, 1995.

This report is intended for the information of the Ruston City Judge's Office, its management, and the Legislative Auditor of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Don M. McGenie
Certified Public Accountant

DON M. McGEHEE
A Professional Accounting Corporation
P.O. Box 1344
808 South Vance
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MANAGEMENT LETTER

November 4, 1988

Baton City Judge's Office
P.O. Box 1821
Baton, Louisiana 71273-1821

In planning and performing my audit of the general purpose financial statements of the Baton City Judge's Office for the year ended September 30, 1988, I considered the internal control structure to determine the auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during my audit I became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes my comments and suggestions regarding this matter. I previously reported on the internal control structure in my audit report dated November 4, 1988; this letter does not affect that report.

I will review the status of these comments during our next audit engagement. I have already discussed these comments and suggestions with your personnel, and I will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



Don M. McGehee
Certified Public Accountant

MANAGEMENT MEMORANDUM

To: Boston City Judge's Office

From: Don W. McGowan, CPA

During the course of my audit, I observed the following conditions which are opportunities for you to strengthen your internal control structure and increase efficiency. My recommendations for improvement are also included.

ACTUAL EXPENDITURES EXCEEDED BUDGET

Due to a change in accounting standards, the Judge's Office was required to recognize on-behalf payments for salaries and fringe benefits as revenue and expenditures beginning in the year ended September 30, 1986. It appears that this change in accounting standards was not considered in preparation of the budget. Therefore, total actual expenditures exceeded budgeted expenditures by more than five percent. I recommend including on-behalf payments in the budget and preparing monthly budget and actual comparisons that can be monitored, such that needed budget amendments can be considered.

SINGLE AUDIT

For the year ending September 30, 1987, the Judge's Office will be required to have a Single Audit due to grant monies being provided by Federal pass-through monies rather than state monies. I recommend review of special requirements for a Single Audit and adoption of special policies and procedures needed for compliance with the Single Audit Act before year end.

FURSTON CITY JUDGE'S OFFICE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL --
GOVERNMENTAL FUND TYPE
YEAR ENDED SEPTEMBER 30, 1999

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Fines and Court Costs	\$ 117,700	\$ 115,988	\$ (1,712)
Grant Revenue	0	29,000	29,000
Interest Income	1,800	2,042	242
On--Behalf Revenue	0	112,642	112,642
TOTAL REVENUES	<u>119,500</u>	<u>254,642</u>	<u>136,149</u>
EXPENDITURES			
Accounting -- Auditing	7,000	6,909	91
Capital Outlay	14,500	15,039	(1,139)
Community Development	100	0	100
Continuing Education Conferences	1,500	1,300	200
Contract Services	4,100	5,614	(1,514)
Dues	1,300	1,370	(170)
Insurance	1,700	1,711	(11)
Judge Ad Hoc	1,700	1,700	0
Juvenile Fines -- DA	5,900	7,407	(1,607)
Juvenile Probation	2,400	2,400	0
Library	2,000	2,482	(482)
Miscellaneous Expense	100	0	100
Office Supplies and Expense	20,350	22,514	(2,164)
On--Behalf Expenses	0	112,642	(112,642)
Repairs -- Maintenance	1,200	1,864	264
Retirement Contributions	4,500	4,667	(167)
Taxes	2,500	2,629	(129)
Telephone	1,850	1,945	95
Travel -- Seminars	6,500	5,679	824
Wages	40,000	42,520	(2,520)
TOTAL EXPENDITURES	<u>119,500</u>	<u>341,918</u>	<u>(122,418)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 0</u>	<u>12,721</u>	<u>\$ 12,721</u>
FUND BALANCE--BEGINNING		<u>41,920</u>	
FUND BALANCE--ENDING		<u>\$ 54,641</u>	

The accompanying notes are an integral part of this statement.

RUSTON CITY JUDGE'S OFFICE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ruston City Judge's Office was created on July 6, 1995, under the provisions of Act 157 of the Louisiana Legislature Summer Session.

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. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government. The accounting and reporting policies of the Ruston City Judge's Office conform to these generally accepted accounting principles and the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants.

A. Reporting Entity

For financial reporting purposes, in conformity with GASB Statement No. 14, The Ruston City Judge's Office is a component unit of the City of Ruston. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

B. Fund Accounting

The accounts of the Ruston City Judge's Office are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. Government 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 controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories. The following funds and group of accounts are used by the City Judge:

Governmental Funds --

General Fund

The General Fund is the general operating fund of the Judge's Office. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds---

Agency Fund

The Agency Fund is used to account for assets held by the Judge's Office as an agent for individuals or organizations. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

RUSTON CITY JUDGE'S OFFICE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets Account Group --

The General Fixed Assets Account 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. No depreciation is recorded on general fixed assets. General fixed assets are recorded as expenditures in the governmental fund type when purchased.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental and fiduciary fund types. Under the modified accrual basis of accounting, 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 be used to pay liabilities of the current period. A sixty day availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Purchases of various operating supplies are reported as expenditures at the time purchased.

Amounts collected by other governmental units are susceptible to accrual. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

D. Budgetary Practices

The Ruston City Judge's Office prepared an operating budget on its governmental fund type for the year ended September 30, 1996, as required by generally accepted accounting principles as applicable to governmental units, and as required by Louisiana law. Prior to year end, the Judge adopted an amended budget approving revisions to revenues and expenditures. The amended budget for the General Fund is presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

E. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.