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JUDICIAL EXPENSE FUND
OF THE
TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
Lafayette Parish

AUDITED FINANCIAL STATEMENTS
As of and for the
Fiscal Year Ended October 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the district, or receiving, entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where applicable, at the office of the parish clerk of court.

Release Date: ~~May 1, 1998~~

**TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH**



* The Judicial Expense Fund of the Twenty-Eighth Judicial District Court was established by Act No. 416 of the 1985 Session of the Louisiana Legislature and began operating in November of 1986. The Judicial Expense Fund is controlled by the judge of the Twenty-Eighth Judicial District Court and was established and may be used for any purpose suggested with, incidental to, or related to the proper administration or function of the court or the office of the judge thereof, and in addition to any and all other funds, salaries, expense, or other monies that were or hereafter will be provided, authorized, or established by law for any of the aforesaid purposes.

JUDICIAL EXPENSE FUND
of the
TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH

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JOHN R. VERCHER PC
Certified Public Accountant
P.O. Box 1808
Jena, Louisiana 71342
Tel: (510) 830-8348
Fax: (510) 862-4034

**INDEPENDENT AUDITORS REPORT ON COMPONENT UNIT
FINANCIAL STATEMENTS**

The Honorable Judge J. P. Montfroy
Judicial Expense Fund of the
Twenty-Eighth Judicial District Court,
LaSalle Parish
State of Louisiana

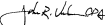
I have audited the component unit financial statements of the Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana, as of and for the year ended October 31, 1997, as listed in the table of contents. These financial statements are the responsibility of the Judge of the Twenty-Eighth Judicial District Court. My responsibility is to express an opinion on these 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 component unit 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 financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion the component unit financial statements referred to above present fairly the financial position of the Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana at October 31, 1997 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The graphs listed in the table of contents is presented for the purpose of additional analysis and are not a required part of the financial statements of the Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

January 5, 1998
Jena, Louisiana



John R. Vercher

JOHN B. VERCHER PC
Certified Public Accountant
P.O. Box 9888
Juno, Louisiana 71342
Tel: (510) 883-8248
Fax: (510) 860-4874

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

The Honorable Judge J. P. Meultry
Judicial Expense Fund of the
Twenty-Eighth Judicial District Court
LaSalle Parish
State of Louisiana

I have audited the component unit financial statements of the Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana, as of and for the year ended October 31, 1997, and have issued my report thereon dated January 5, 1998.

I conducted my 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 I 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 Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana, is the responsibility of Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The result of my tests disclose no instances of noncompliance that are required to be reported under Government Auditing Standards, except as listed below and discussed in "Management Letter Comments".

* Debt Restricted to Bond Commission Approval

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

January 5, 1998
Juno, Louisiana



John B. Vercher

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

Judicial Expense Fund of the
Twenty-Eighth Judicial District Court
LaSalle Parish, Louisiana

I have audited the component unit financial statements of the Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana, for the year ended October 31, 1997, and have issued my report thereon dated January 5, 1998.

I have conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

In planning and performing my audit of the component unit financial statements of the Judicial Expense Fund of the Twenty-Eighth Judicial District Court, LaSalle Parish, Louisiana, for the year ended October 31, 1997, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of the Twenty-Eighth Judicial District Court, LaSalle Parish, 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 recorded 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, perceptions of any evaluation of the structure in 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.

For the purpose of the report, I have classified the significant internal control structure policies and procedures in the following categories:

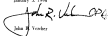
1. Budgeting
2. Cash Receipts and Disbursements

For all of the control categories listed above, 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. Because of the due date of the audit, I did not rely on any of the internal controls listed above and relied on substantive tests.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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 component unit 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. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above when considering the size of the entity being audited.

This report is intended for the information of the Judicial Expense Fund's management. This opinion is not intended to limit the distribution of this report, which upon acceptance, is a matter of public record.

Jena, Louisiana
January 5, 1998



John B. Venable

**COMPONENT UNIT
FINANCIAL STATEMENTS**

JUDICIAL EXPENSE FUND
of the
TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH

General Fund and Account Groups

Combining Balance Sheet
October 31, 1997

	ACCOUNT GROUPS			TOTALS (COMBINATION ONLY)
	GENERAL FUND	GENERAL FUND ASSETS	GENERAL LONG-TERM DEBT	
ASSETS				
Cash	\$ 22,324	\$ -0-	\$ -0-	\$ 22,324
Savings Account	5,384	-0-	-0-	5,384
Fixed Assets	-0-	82,879	-0-	82,879
Amount to be Provided from General Fund Revenue for Retirement of Notes Payable	-0-	-0-	4,823	4,823
TOTAL ASSETS	\$ 28,028	\$ 82,879	\$ 4,823	\$ 85,730
LIABILITIES AND EQUITY				
Notes Payable	\$ -0-	\$ -0-	\$ 4,823	\$ 4,823
DEFERRED IS. FUND ASSETS	-0-	82,879	-0-	82,879
Fund Balance - Unreserved	28,028	-0-	-0-	28,028
TOTAL LIABILITIES AND EQUITY	\$ 28,028	\$ 82,879	\$ 4,823	\$ 85,730

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

JUDICIAL EXPENSE FUND
of the
TRUSTEES OF THE JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH

Statement of Revenues, Expenditures, and
Changes in Fund Balance
Budget (GAAP) vs Actual
Fiscal Year Ended October 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intragovernmental-			
Lasalle Parish Sheriff	\$ 21,500	\$ 21,470	\$ 30
Interest Income	-0-	497	497
Miscellaneous	-0-	1,387	1,387
Total Revenues	<u>\$ 21,500</u>	<u>\$ 23,354</u>	<u>\$ 1,854</u>
Expenditures:			
Current-			
Judicial:			
Office Expense	\$ 14,000	\$ 5,174	\$ 8,826
Salaries	-0-	2,200	(2,200)
Rent & Conference Fees	2,500	2,200	1,300
Travel	2,200	400	1,800
Capital Outlay - Equip.	0,000	10,000	(10,000)
Miscellaneous	2,200	-0-	2,200
Utilities	-0-	120	(120)
Subscriptions	-0-	200	(200)
Supplies	-0-	1,273	(1,273)
Audit	-0-	810	(810)
Telephone	-0-	200	(200)
Copier Lease	-0-	0,000	(0,000)
Meetings	-0-	75	(75)
Court Reporter Fee	-0-	20	(20)
Bond Payment	-0-	2,025	(2,025)
Total Expenditures	<u>\$ 24,000</u>	<u>\$ 32,201</u>	<u>\$ 7,197</u>
Excess (Deficiency) of Revenues Over Exp. Before Other	-0-	1,153	1,153
Lease	\$ 0,000	\$ 0,000	\$ 0,000
Excess (Deficiency) of Revenues Over Exp. After Other	-0-	11,554	11,554
Fund Balance, Beginning	14,774	14,774	-0-
Fund Balance, Ending	<u>\$ 14,774</u>	<u>\$ 26,328</u>	<u>\$ 11,554</u>

The accompanying notes are an integral part of these statements.

JUDICIAL EXPENSE FUND
of the
TWENTYEIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH

Statement of General Fixed Assets
October 31, 1997

General Fixed Assets, at Close:	
Equipment	\$ 51,879
TOTAL GENERAL Fixed Assets	<u>\$ 51,879</u>
Investment in General Fixed Assets:	
Property Acquired from General Fund	\$ 51,879
Total Investment in General Fixed Assets	<u>\$ 51,879</u>

The accompanying notes are an integral part of this statement.

JUDICIAL EXPENSE FUND
 of the
TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH

Statement of Changes in General Fixed Assets
Fiscal Year Ended October 31, 1997

	<u>Equipment</u>	<u>TOTAL</u>
General Fixed Assets, Beginning of Year	\$ 42,182	\$ 42,182
ADDITIONS:		
General Fund	18,610	18,610
General Fixed Assets, End of Year	<u>\$ 60,792</u>	<u>\$ 60,792</u>

The accompanying notes are an integral part of this statement.

JUDICIAL EXPENSE FUND
of the
TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LAFAYETTE PARISH

Statement of Changes in Long-Term Debt
Fiscal Year Ended October 31, 1997

Balance Payable, Beginning of Year	\$ 185
Additions During Year	8,800
Payments Made During Year	<u>12,940</u>
Balance Payable, End of Year	\$ 6,825

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

JUDICIAL EXPENSE FUND
OF THE
TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASSALLE PARISH

NOTES TO FINANCIAL STATEMENTS

III. *Summary of Significant Accounting Policies*

The Judicial Expense Fund of the Twenty-Eighth Judicial District Court was established by Act No. 905 of the 1967 Session of the Louisiana Legislature and began operating in November of 1968. The Judicial Expense Fund is controlled by the judge of the Twenty-Eighth Judicial District Court and was established and may be used for any purpose connected with, incidental to, or related to the proper administration or function of the court as the office of the judge thereof, and it is in addition to any and all other funds, salaries, expenses, or other monies that were so hereinafore will be provided, authorized, or established by law for any of the aforesaid purposes. The Judicial Expense Fund's revenues are derived from court costs assessed in criminal cases of the Twenty-Eighth Judicial District Court and are collected by the sheriff.

A. *Financial Reporting Entity*

The Judicial Expense Fund is part of the operations of the district court system. The district court system is totally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget. In addition, the nature and significance of the relationship between the district court and the police jury is such that exclusion from the police jury's financial statements would render the financial statements incomplete or misleading. Therefore, this fund is a component unit of the LaSalle Parish Police Jury.

B. *Fund Accounting*

The accounts of the Judicial Expense Fund are organized in one governmental fund General Fund Type and comprise its assets, liabilities, fund balances, revenues and expenditures.

C. *Fixed, λ_0 - λ_1 , and Long-Term Liabilities*

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheet.

Fixed assets used in governmental fund type operations (general fund assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

All fixed assets are stated at historical cost.

JUDICIAL EXPENSE FUND
OF THE
TWENTY-EIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH

NOTES TO FINANCIAL STATEMENTS - CONTINUED

C. Fixed Assets and Long-Term Liabilities - (Cont.)

The Judicial Expense Fund's financial statements include the following long-term liabilities:

Notes Payable	\$ 4,000
---------------	----------

Notes payable represent a loan at Southern Heritage Bank. The loan opened on December 18, 1990 in the amount of \$8,000 and was payable at 10.5% per month at \$250 interest.

Debt service requirements are as follows:

	PRINCIPAL	INTEREST	TOTAL
1991	\$ 4,000	\$ 81	\$ 4,081
TOTAL	\$ 4,000	\$ 81	\$ 4,081

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement basis applied.

The Judicial Expense Fund, governmental fund, is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available to all current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Budgetary Accounting

The following procedures are followed in preparing the budget:

- (1) The Judicial Administration prepares the budget before the beginning of the fiscal year.
- (2) The Judge of the 28th Judicial District Court reviews and approves the budget.
- (3) The budget runs and was amended during the year.
- (4) All appropriations lapse at year end.

JUDICIAL EXPENSE FUND
OF THE
TWENTYEIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LAFOLLE PARISH

NOTES TO FINANCIAL STATEMENTS - CONTINUED

F. Encumbrances

Encumbrances accounting is not employed in the Judicial Expense Fund.

G. Vacation and Sick Leave

Employees of the Judicial Expense Fund at this time are paid by the LaFolle Parish Police Jury out of the Criminal Court Fund and are covered under the Police Jury's vacation and sick leave policy.

H. Retirement

Employees of the Judicial Expense Fund participate in the Parishial Employees' Retirement System of Louisiana, contributing 9.25% of their salaries. An additional 7.15% is contributed by the LaFolle Parish Police Jury. The judge, who participates in the Louisiana State Employees' Retirement System, contributes 12% of his salary to the system. Any future deficits in the system will be financed by the State of Louisiana. Data concerning the actuarial status of the system and concerning the amount contributed by the police jury for the year are not available. The Judicial Expense Fund pays no salaries or retirement system contributions.

I. Bond Balance

The amount on deposit in a financial institution at October 31, 1997 was fully insured by FDIC coverage.

J. Operating Lease

The Twenty-Eighth Judicial District Court has an operating lease with Minn Financial Services for a copy machine. The monthly lease expense is \$485.00 per month for 36 months beginning in May 1997.

Future lease payments required are as follows:

1998	\$ 4,850
1999	2,425
Total	\$ 7,275

JUDICIAL EXPENSE FUND
OF THE
TWENTYEIGHTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
LASALLE PARISH
OCTOBER 31, 1997

MANAGEMENT LETTER COMMENTS

I am pleased to report that the 28th Judicial District Expense Fund ended the fiscal year, October 31, 1997 with a fund balance \$18,028 in its general fund 1 in excess of \$11,254 or 48.13 over the previous year. During the course of the audit, the auditor may observe situations that may be improved. Below are situations recommended for improvements.

3. DEBT INSTRUMENTS - MATERIAL COMPLIANCE FINDING

Situation: During the year ended October 31, 1997 the District obtained a loan in excess of 90 days for \$8,000 from Southern Heritage Bank without the Louisiana Bond Commission approval. The loan was paid off December 1997. Article VII, section 8 of the 1974 Louisiana constitution and LA - RS 47:1602A requires the District to obtain approval from the commission for loans in excess of 90 days.

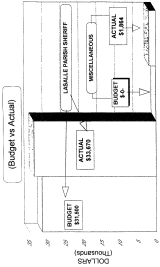
Recommendation: All future loans in excess of 90 days should be made only after receiving permission from the Louisiana Bond Commission. The Commission usually requires that the entity have a plan of debt service for the loan, thus helping the District with its financial planning.

District's Response: The loan in question was paid off when we noted that it was not in compliance with regulations. The District will obtain the Louisiana Bond Commission's approval before making future loans in excess of 90 days.

GRAPHS

28TH JUDICIAL DISTRICT COURT

JUDICIAL EXPENSE FUND-REVENUES 1997



28TH JUDICIAL DISTRICT COURT EXPENSE FUND EXPENDITURES 1997

