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JUDICIAL EXPENSE FUND FOR THE
SEVENTH JUDICIAL DISTRICT COURT
Vidalia, Louisiana

General Purpose Financial Statements
and Auditor's Report

December 31, 1997

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 ~~JAN 14 1998~~

JEAN SUE TOSSPON
Certified Public Accountant

JERI SUE TOSSPON

Certified Public Accountant

P. O. Box 448

Ferriday, Louisiana 71334-0448

(504) 737-9333

Honorable Leo Booths, Judge
Honorable Kathy Johnson, Judge
Judicial Expense Fund for the Seventh
Judicial District Court
Vidalia, Louisiana

I have audited the financial statements of the Judicial Expense Fund for the Seventh Judicial District, as of December 31, 1997 and for the year then ended, and have issued my reports dated May 13, 1998. As a part of my examination, I made a study and evaluation of the District's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements. My study was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Judicial Expense Fund is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and costs of control procedures. The objectives of a system 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 system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purposes described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of the Judicial Expense Fund taken in as a whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

Honorable Leo Boothie, Judge
Honorable Kathy Johnson, Judge
Page Two

My comments on specific financial and accounting matters and recommendations developed during my examination which do not represent material weaknesses, are detailed below.

1. The person being paid for research is not being treated as an employee for payroll tax purposes. After reviewing the factors involved in the employment of this individual, he should be treated as an employee.

PRIOR YEAR COMMENTS:

The Judicial Expense Fund's budget is now in compliance.

This report is intended for the use of the Judicial Expense Fund management and others within the organization.

I thank all the personnel at the Judges' Office for their cooperation during my examination.



Feriday, Louisiana
May 13, 1997



SEVENTH JUDICIAL DISTRICT COURT
CATALHOULA PARISH
CATALHOULA PARISH COURTHOUSE

Judge Kelly Johnson
Division "A"

Chief Judge Leo Boudin
Division "B"

P. O. Box 628
Harrisonburg, Louisiana 71303
Telephone (504) 744-5614

June 3, 1998

Ms. Teri Sue Tompson
Certified Public Accountant
P. O. Box 443
Perryville, LA 71354

Dear Ms. Tompson:

We are in receipt of your letter dated May 13, 1998, and in response to the comment made on page 2 therein, we have taken steps to treat the person who is receiving payment for work done for research as an employee.

If any questions or if I can be of further assistance, please do not hesitate to advise.

With best regards, I remain

Very truly yours,

Leo Boudin
Chief Judge

LB/ym

JUDICIAL EXPENSE FUND FOR THE
SEVENTH JUDICIAL DISTRICT COURT
Vidalia, Louisiana

General Purpose Financial Statements
and Auditor's Report

December 31, 1997

JUDICIAL EXPENSE FUND FOR THE
SEVENTH JUDICIAL DISTRICT COURT

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SECTION I

GENERAL PURPOSE FINANCIAL STATEMENTS

REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

JERI SUE TOSSPON

Certified Public Accountant

P. O. Box 645

Farmley, Louisiana 71334-0645

ph 714-655

AUDITOR'S REPORT

Honorable Leo Boothe, Judge
Honorable Kathy Johnson, Judge
Judicial Expense Fund for the Seventh
Judicial District Court
Vidalia, Louisiana

I have audited the accompanying general purpose financial statements of the Judicial Expense Fund for the Seventh Judicial District Court, as of December 31, 1997, and for the year then ended. These financial statements are the responsibility of the Judicial Expense Fund's management. 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. 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Judicial Expense Fund, as of December 31, 1997, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.



Farmley, Louisiana
May 13, 1998

JUDICIAL EXPENSE FUND FOR THE SEVENTH
JUDICIAL DISTRICT COURT
BALANCE SHEET
(ALL FUND TYPES AND ACCOUNT GROUPS)
DECEMBER 31, 1997

	Governments Fund General Fund	Account Group - General Fixed Assets	Total (Memorandum Only)
ASSETS			
Cash and cash equivalents (Note 3)	\$ 28,585		\$ 28,585
Receivables (Note 4)	6,215		6,215
Equipment (Note 5)		\$ 17,180	17,180
Total Assets	\$ 32,800	\$ 17,180	\$ 49,980
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities - Accounts payable	\$ 1,256		\$ 1,256
Fund equity and other credits - Investment in general fixed assets		\$ 17,180	\$ 17,180
Fund balance, unreserved and undesignated	\$ 31,544		31,544
Total Fund Equity and Other Credits	\$ 31,544	\$ 17,180	\$ 48,724
Total Liabilities, Fund Equity and Other Credits	\$ 32,800	\$ 17,180	\$ 49,980

See accompanying notes to the financial statements

JUDICIAL EXPENSE FUND FOR THE SEVENTH
JUDICIAL DISTRICT COURT
STATEMENT OF REVENUE, EXPENDITURE AND
CHANGES IN FUND BALANCE
(GOVERNMENTAL FUND - GENERAL FUND)
YEAR ENDED DECEMBER 31, 1987

REVENUES

Criminal and civil fees	
Concordia & Catahoula Sheriff	\$ 17,212
Concordia & Catahoula Clerk of Court	5,789
Other	89
Use of money and property - interest earnings	1,127
Bond fees	7,375
Total revenue	<u>\$ 31,472</u>

EXPENDITURES

General government - judicial	
Office supply and expense	\$ 6,307
Travel	7,833
Insurance	
Audit and accounting	758
Library and subscriptions	3,508
Payroll and taxes	8,828
Ride's expenditures	400
Contractual services	
Mobile telephone	3,627
Typing and other services	4,414
Capital outlay - equipment	0
Total expenditures	<u>\$ 30,699</u>

EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES \$ (7,223)

FUND BALANCE, JANUARY 1 38,787

FUND BALANCE, DECEMBER 31 \$ 31,564

See accompanying notes to the financial statements

JUDICIAL EXPENSE FUND FOR THE SEVENTH
JUDICIAL DISTRICT COURT
STATEMENT OF REVENUE, EXPENDITURE AND
CHANGES IN FUND BALANCE
(GOVERNMENTAL FUND - GENERAL FUND)
BUDGET (CASH BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Criminal and civil fees	\$ 22,800	\$ 22,424	\$ (477)
Interest	1,200	1,127	(73)
Other	7,100	7,100	0
Total revenue	<u>\$ 31,100</u>	<u>\$ 30,651</u>	<u>\$ (549)</u>
DISBURSEMENTS			
General government - judicial			
Office supply and expense	\$ 9,200	\$ 9,227	\$ 27
Travel	6,000	7,903	1,903
Insurance		0	0
Audit and accounting	750	750	0
Library and subscriptions	3,400	3,488	(88)
Payroll and taxes	8,800	9,607	(807)
FFIS expenditures		400	(400)
Contractual services		0	0
Mobile telephone	3,500	3,511	(11)
Typing and other services	4,500	4,141	359
Capital outlay - equipment		0	0
Total expenditures	<u>\$ 35,750</u>	<u>\$ 39,126</u>	<u>\$ (3,376)</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	\$ (7,650)	\$ (8,475)	\$ (1,425)
CASH BALANCE, JANUARY 1	<u>20,280</u>	<u>20,060</u>	<u>14,670</u>
CASH BALANCE, DECEMBER 31	<u>\$ 13,240</u>	<u>\$ 20,585</u>	<u>\$ 13,240</u>

See accompanying notes to the financial statements.

**JUDICIAL EXPENSE FUND FOR THE
SEVENTH JUDICIAL DISTRICT COURT
NOTES TO FINANCIAL STATEMENTS**

As of December 31, 1997 and for the Year then Ended

NOTE 1 - INTRODUCTION

The Judicial Expense Fund for the Seventh Judicial District Court was established by Louisiana Revised Statute 13:295.51 for the purpose of administering the district court or the office of the individual judges of the court. Operations of the Judicial Expense Fund for the Seventh Judicial District Court are funded by court costs on criminal charges and costs on civil suits that are not exempted from court costs. As provided by LSA-R.S. 13:821.7, the Seventh Judicial District Court encompasses the parishes of Calcasieu and Concordia. The Seventh Judicial District Court is domiciled in Vidalia, Louisiana, and is subject to the general administrative rules and regulations of the Louisiana Supreme Court.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements 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.

B. Financial Reporting Entity - GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the District includes all funds, account groups, or centers, that are within the oversight responsibility of the District judges as independently elected officials. As independently elected officials, the district judges are solely responsible for the operations of the district court, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the District that are paid by the State of Louisiana and the parish police jury as required by Louisiana law, the District is financially independent. Accordingly, the District is a separate governmental reporting entity.

Certain units of local government over which the District exercises no oversight responsibility, such as the parish police jury, parish school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District.

C. Fund Accounting - The District uses a fund and an account group to report on 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 government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The General Fund of the District is classified as a governmental fund. The General Fund is the principal fund for the district and accounts for its financial operations. Civil fees or court costs collected by the clerks of court and the sheriffs of Catahoula and Concordia Parishes are accounted for in this fund. General operating expenditures are paid from this fund.

D. Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is 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. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Court fees (criminal and civil) are recorded when earned and available.

Interest income on time deposits is recorded when the deposits have matured and the interest is available.

All other revenues are recognized when received.

Expenditures

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

F. Encumbrances - Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed in the District's accounting system.

G. Cash and Cash Equivalents - Cash includes amounts in demand deposits accounts and cash equivalents include amounts in time deposits. Time deposits

are stated at cost. Under state law, the District 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.

G. Fixed Assets - Fixed assets are recorded as expenditures at the time purchased or constructed and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. Compensated Absences/Pensions - The Catahoula and Concordia Parish Police Juries pay salaries and employer contributions for the employees of the District. Therefore, the District has no reportable compensated absences or pension costs.

I. Total Column on Balance Sheet - The total column on the balance sheet 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.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 1997, the District has cash and cash equivalents (book balances) totaling \$26,585, as follows:

Demand deposits	\$ 6,739
Time deposits	<u>19,846</u>
Total	<u>\$26,585</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 1997, the District has \$26,585 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

NOTE 4 - RECEIVABLES

The following is a summary of receivables at December 31, 1997:

<u>Class of Receivable</u>	
Criminal and civil fees	\$3,338

Bond fees	2,083
Other	<u>794</u>
Total	<u>\$2,877</u>

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

Additions to the general fixed assets are as follows:

Balance, January 1, 1997	\$13,820
Additions: Office furniture & equipment at historical cost	<u>3,340</u>
Balance, December 31, 1997	<u>\$17,160</u>

NOTE 9 - RECONCILIATION OF REVENUES AND EXPENDITURES WITH RECEIPTS AND DISBURSEMENTS

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The following reconciles the excess (deficiency) of revenues and other sources over expenditures and other uses for the General Fund:

	For The Year Ended <u>December 31, 1997</u>
Excess (deficit) of revenues over expenditures (Page 3)	(\$7,223)
Adjustments for:	
Current year accruals (net)	(4,555)
Prior year accruals	<u>3,707</u>
Excess (deficit) of receipts over disbursements (Page 4)	<u>(\$8,071)</u>

NOTE 7 - EXPENDITURES OF THE DISTRICT NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District paid by the Calhoun and Concordia Parish Police Juries or directly by the state. The Calhoun and Concordia Parish Police Juries pay certain salaries and employer contributions of secretarial personnel.

NOTE 8 - LITIGATION

The District is not involved in any litigation at December 31, 1997.

SECTION II

REPORT ON INTERNAL CONTROL AND COMPLIANCE WITH LAWS AND REGULATIONS

JERI SUE TOSSPON

Certified Public Accountant

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Ferryport, Louisiana 71334-0445

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**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Leo Boothe, Judge
Honorable Kathy Johnson, Judge
Judicial Expense Fund for the Seventh
Judicial District Court
Vicksburg, Louisiana

I have audited the financial statements of the Judicial Expense Fund for the Seventh Judicial District Court (Expense Fund), as of December 31, 1997, and for the year then ended, and have issued my report thereon dated May 13, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Expense Fund's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to the management of the Expense Fund in a separate letter dated May 13, 1998.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Expense Fund's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily

Judicial Expense Fund for the Seventh
Judicial District Court
Page Two

disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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



Farriday, Louisiana
May 13, 1998