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TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

December 30, 1966

Office of Legislative Auditor  
Attention: Mr. Carmen Walker  
Post Office Box 94937  
1000 North Third  
Baton Rouge, Louisiana 70804-8367

TO  
FROM  
DATE  
BY  
RE  
CLASS

Dear Mr. Walker:

Enclosed are the annual financial statements for the Fifteenth Judicial District Court Judicial Expense Fund as of and for the year ended June 30, 1966. The report includes all funds under the control and oversight of the Judicial Expense Fund. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

*Tom Aaron, Jr.*

Under provisions of state law, this report is a public document. A copy of the report transmitted hereto to the auditor, the clerk of the judicial district office, and the clerk of the district. This report is also a public inspection of the Louisiana Register of the Legislature for and where appropriate, the office of the parish clerk of court.

Release Date: FEB 17 1968

FIFTEENTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

ANNUAL SWORN FINANCIAL STATEMENTS AS OF  
AND FOR THE YEAR ENDED JUNE 30, 1998  
WITH APPROPRIATE SUPPLEMENTAL INFORMATION

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**AFFIDAVIT**

Personally came and appeared before the undersigned authority, Judge Don Aaron, who, duly sworn, deposed and says that the financial statements herewith given present fairly the financial position of the Fifteenth Judicial District Court Judicial Expense Fund as of June 30, 1998 and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

  
Signature

Sworn to and subscribed before me, this 31<sup>st</sup> day of December, 1998.

  
Notary Public

---

Officer: Judge Don Aaron  
Address: P. O. Box 1980  
Crowley, LA 70527  
Phone: (518) 781-8831

**Fifteenth Judicial District Court  
Judicial Expense Fund**

**FINANCIAL STATEMENTS**

**June 30, 1998**

**Fifteenth Judicial District Court  
Judicial Expense Fund**

**General Purpose Financial Statements  
and Independent Auditors' Report  
As of and For the Year Ended June 30, 1998**

**C O N T E N T S**

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**Independent Auditor's Report on the Financial Statements**

The Honorable Don Aaron  
Fifteenth Judicial District Court  
Judicial Expense Fund  
Crowley, Louisiana

We have audited the accompanying general purpose financial statements of the Fifteenth Judicial District Court Judicial Expense Fund as of June 30, 1998, and for the year then ended as listed in the foregoing table of contents. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraphs, 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. 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. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant, and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

The Fifteenth Judicial District Court Judicial Expense Fund has omitted such disclosures. We do not provide assurance that The Fifteenth Judicial District Court Judicial Expense Fund is or will be year 2000 ready, that The Fifteenth Judicial District Court Judicial Expense Fund's year 2000 remediation efforts will be successful in whole or in part, or that parties with which The Fifteenth Judicial District Court Judicial Expense Fund does business will be year 2000 ready.

The Fifteenth Judicial District Court Judicial Expense Fund declined to present budgetary comparisons on the statement of revenues, expenditures, and changes in fund balances, for the general fund and special revenue fund type for the year ended June 30, 1998. Presentation of such statements for these governmental funds for which budgets have been legally adopted is required by generally accepted accounting principles.

In our opinion, except for the omission of the information discussed in the preceding paragraphs, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Fifteenth Judicial District Court Judicial Expense Fund as of June 30, 1998, and the results of its operations and the changes in fund balance 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 December 28, 1998, on our consideration of the fund's internal control over financial reporting and our tests of compliance with certain provisions of laws and regulations.

  
Robert J. Williams, CPA  
Certified Public Accountant

December 28, 1998

Fifteenth Judicial District Court  
 Judicial Expense Fund  
 All Fund Types and Account Groups  
**COMBINED BALANCE SHEET**  
 June 30, 1978

	Governmental Fund Types		Account Group	(memo only)
	General	Special Revenue	General Fixed Assets	Total
<b>ASSETS</b>				
Cash in operating accounts	\$ 190,586	\$ 248,327		\$ 438,913
Savings account	213			213
Certificates of deposit	1,368,000	500,000		1,868,000
Accounts receivable	50,704			50,704
Accrued interest	8,378	2,629		11,005
Prepaid items	15,528	1,378		16,906
Furniture and equipment			540,239	540,239
<b>Total Assets</b>	<b>\$ 1,633,327</b>	<b>\$ 753,734</b>	<b>\$ 540,239</b>	<b>\$ 2,927,300</b>

**LIABILITIES AND EQUITY**

**LIABILITIES**

Accounts payable	\$ 154,862	\$ 63,076		\$ 217,938
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**EQUITY:**

Investment in general fixed assets			540,239	540,239
Fund balance - undesignated	1,482,365	692,658		2,175,023

<b>Total Liabilities &amp; Equity</b>	<b>\$ 1,633,327</b>	<b>\$ 753,734</b>	<b>\$ 540,239</b>	<b>\$ 2,927,300</b>
---------------------------------------	---------------------	-------------------	-------------------	---------------------

The accompanying notes are an integral part of this statement.

**Fiftieth Judicial District Court**  
**Judicial Expense Fund**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**For the Year Ended June 30, 1998**

REVENUES			(mono- only)
	General	Special Revenue	Totals
Academy Parish court fees	\$ 20,580	\$	\$ 20,580
Lafayette Parish court fees	113,132		113,132
Vermilion Parish court fees	25,099		25,099
Interest income	76,129	25,517	101,646
Doral Profiteers	129,738		129,738
Other income	3,594	3,089	6,683
Administrative collection fees		323,008	323,008
Total revenues	<u>379,282</u>	<u>351,614</u>	<u>730,896</u>
<b>EXPENDITURES</b>			
Accounting	6,895	1,504	8,399
Ad fees (judges expenses (includes court reporters))	45,795		45,795
Court Delay Reduction program	12,065		12,065
Dues and subscriptions	6,885	345	7,230
Tax line charges and supplies	4,280		4,280
Family Time Grant		10,000	10,000
Fees, compensation supplements & reimbursements:			0
Bookkeepers	14,838	45,360	60,198
Court reporters	3,945	12,350	16,295
Secretarial	18,394		18,394
Child Support Fund - Hearing officers		83,860	83,860
Furniture and equipment capital outlay	41,485		41,485
Insurance - General	11,515		11,515
Insurance - Law clerks	34,083		34,083
Judges' meetings	3,860		3,860
Library expense and Westlaw/Veralex	7,261		7,261
Miscellaneous	7,247	794	8,041
Office expenses, services and small purchases	31,287	1,657	32,944
Parking fees	8,400	715	9,115
Perage	5,314	652	5,971
Security/alarm expenses/guard	25,690	15,000	40,690
Software and training	8,459		8,459
Telephone	16,860		16,860
Travel and seminars	48,854	1,868	50,722
Uniforms and robes	7,850	967	8,817
Total expenditures	<u>542,750</u>	<u>181,036</u>	<u>723,786</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 7,532</u>	<u>\$ 170,578</u>	<u>\$ 178,110</u>

The accompanying notes are an integral part of this statement.



Edgemont Judicial District Court  
 Judicial Expense Fund  
**STATEMENT OF CHANGES IN FUND BALANCE**  
 For the Year Ended June 30, 1998

	<u>General</u>	<u>Special Revenue</u>	<u>(Income only) Totals</u>
BALANCE - beginning	\$ 1,474,808	\$ 322,154	\$ 1,896,962
Excess of Revenues Over Expenditures	<u>3,557</u>	<u>130,504</u>	<u>134,061</u>
BALANCE - ending	<u>\$ 1,482,365</u>	<u>\$ 452,658</u>	<u>\$ 1,935,023</u>

The accompanying notes are an integral part of this statement.

**Fifteenth Judicial District Court Judicial Expense Fund**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - INTRODUCTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**INTRODUCTION**

The Fifteenth Judicial District Court Judicial Expense Fund was created by ACT NO. 108 effective July 11, 1982 with the following specific provisions:

- (1) Monies earmarked for the Fund are collected by the parishes of Acadia, Lafayette, and Vermilion and submitted to the Fund on a monthly basis.
- (2) The judges may fix and pay from the Fund, each of their court reporters salary.
- (3) The judges may appoint and pay from the Fund such secretarial, clerical, research, administrative or other personnel as they deem necessary to expedite the business and function of the court.
- (4) The judges may pay all or part of the cost of a law library for the court from money in the fund.
- (5) The judges may utilize money from the Fund, to buy and/or maintain any type of equipment, supplies, or other items consistent with or germane to the efficient operation of the court.
- (6) Prohibited any salary being paid to the judges out of the Fund.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation:**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and reporting principles for state and local governments and their agencies.

**B. Fund Accounting:**

The fund uses accounts organized on the basis of a fund (General Fund and Special Revenue Fund) and an account group (fixed assets), each of which is a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. Resources are accounted for in individual funds or account groups based on the purposes for which they are to be spent. The Judicial Expense Fund's General Fund is the general operating fund and accounts for all financial activities and resources of the fund. The Special Revenue Fund (Child Support Fund) consists of fees collected pursuant to the enforcement of court ordered child support agreements and disbursements made. On the other hand, an account group is a financial reporting device

Fifteenth Judicial District Court Judicial Expense Fund  
NOTES TO FINANCIAL STATEMENTS

NOTE A - INTRODUCTION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B: Fund Accounting, continued:

designed to provide accountability for certain assets and liabilities that are not otherwise reported because they do not directly affect net expendable financial resources. The fund's furniture and equipment appear in the Fixed Asset group. The account group is not a fund, it is only a measurement of financial position and does not involve measurement of results of operations.

C: Reporting Entity:

For financial reporting purposes, the fund includes all funds, account groups, activities, etc. that are controlled by the Fifteenth Judicial District Court Judicial Expense Fund. The fund is considered a separate governmental reporting entity. Included as a special revenue fund is the Child Support Fund described in note F below.

D: Basis of Accounting and Measurement Focus:

The financial and accounting reporting treatment applied to a fund is determined by its measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of the funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period. Expenditures are recorded when the related fund liability is incurred.

Revenues:

Court fees, the state monthly payments, bond forfeitures, and Child Support Administrative fees are recorded in the month earned, regardless of when collected. Interest is recorded when earned, regardless of when the related time deposit matures.

Expenditures:

Expenditures are recognized as the related fund liability or payment obligation is incurred, regardless of when payment to the vendor is made.

E: Budget Practices:

The fund adopted a cash basis budget for the year ended June 30, 1998 and did not make subsequent amendments during the year. It is different in form when compared to the fund's financial statement presentation and account groupings so comparative information is not presented in this report.

**Illiana's Judicial District Court Judicial Expense Fund**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - INTRODUCTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**F. Total Column on Balance Sheet:**

The total column on the balance sheet is captioned *Blance-Only* to indicate that it is presented only to facilitate financial analysis. The data in this column does not present financial position in conformity with generally accepted accounting principles and is not comparable to a consolidation.

**G. Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. Fixed Assets:**

Fixed assets are recorded as expenditures at the time purchased and the related assets are capitalized in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

**NOTE B - FURNITURE & EQUIPMENT**

The following is a summary of acquisitions during the year ended June 30, 1998:

	<u>Judicial Exp Fund</u>
Computer equipment	25,900
Other office furniture and equipment	<u>17,500</u>
Totals	\$41,400

There were no significant dispositions during the year. Fixed assets of governmental funds are recorded as expenditures at the time they are purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation is provided on general fixed assets.

Computer equipment and software purchased prior to 1996 represents approximately \$133,000 of the \$340,239 shown in the general fixed asset account group.

**Efforts Judicial District Court, Judicial Expense Fund**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CERTIFICATES OF DEPOSIT AND CASH IN BANKS**

Under state law, deposits are allowed in state banks organized under Louisiana law and national banks having their principal offices in Louisiana. All deposits should be backed by Federal deposit insurance protections or the pledge of bank securities. At June 30, 1998, certificates of deposit consisted of the following. They are listed below and have dates of maturity ranging from October, 1998 to August, 1999.

DEPOSITED WITH	RATE	Judicial Exp. Fund		RATE	Child Support Fund	
Kayser Building and Loan	5.40%	\$100,000				
Kaysor State Bank	5.20%	100,000				
Evangelist Bank & Trust	5.35%	98,000		5.45%	\$	100,000
Home Savings & Loan	5.30%	100,000		5.30%		100,000
Whitney National Bank	5.25%	90,000		5.50%		100,000
Crowley Building and Loan	5.45%	93,000				
Lafayette Hlthg. Association	5.25%	100,000				
First National Bank	5.50%	99,000				
Bank of Commerce & Trust	5.40%	100,000				
Hibernia National Bank	5.50%	95,000				
Mid-South National Bank	5.25%	95,000				
Atmoreville Building & Loan	5.15%	90,000		5.60%		100,000
Iberia Savings Bank	5.35%	99,000		5.25%		100,000
FNB of Crowley	5.35%	99,000				
		\$1,388,000				\$500,000

The Judicial Expense Fund maintains separate accounts from the Child Support Fund. During the current fiscal year, the Judicial Expense Fund switched its operating account from First National Bank of Lafayette to Bank of Commerce & Trust. The Child Support Fund maintains its operating account with First National Bank of Lafayette (now Bank One). At June 30, 1998 the Judicial Expense Fund had \$180,065 in collected balances on deposit in its checking account. These deposits were secure from risk by \$180,000 of Federal deposit insurance and \$289,638 of pledged bank securities. The Child Support Fund had \$247,792 in collected balances on deposit in its checking account at June 30, 1998. This was secure from risk by \$100,000 Federal deposit insurance and \$51,446 of pledged bank securities.

Fifteenth Judicial District Court, Judicial Expense Fund  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 1998:

	<u>Clerk of Court</u>	<u>Sherrif</u>	<u>Totals</u>
Acadia Parish	\$ -	\$ 1,229	\$ 1,229
Lafayette Parish	3,805	2,220	6,025
Vermilion Parish	3,602	345	3,947
Subtotal	\$ 3,407	\$ 3,795	\$ 7,202
Other			5,850
Due from Child Support and Law Clerk Funds			25,345
Bond Forfeiture Income - 3rd quarter, 1998			10,117
Total accounts receivable			\$ 38,514

**NOTE E - BOND FORFEITURE INCOME**

This source of funds was initiated by LSA R.S. 15:571.11 for bond forfeitures after June 23, 1993. The statute provides that 2% of all judgments of bond forfeiture collected by the district attorney shall be paid to the court fund of the parish where the bond was posted.

**NOTE F - FIFTEENTH JUDICIAL DISTRICT COURT CHILD SUPPORT FUND**

The Child Support Fund was established in January, 1974 in accordance with Louisiana Statute R.S. 48:236.3. It collects support payments on behalf of guardians who are being assisted by state aid. The Child Support Fund is authorized to receive payment of nonsupport funds on behalf of the State of Louisiana. It is also authorized to collect an administrative fee of no greater than 3% of the funds due. The actual percentage collected by this unit was approximately 4%, which reflects a reduction of 1% that became effective January, 1997. The fees are used to fund the administrative cost of the system.

**NOTE G - ACCOUNTS PAYABLE**

The details at June 30, 1998 are as follows:

	<u>Judicial Exp. Fund</u>	<u>Child Support Fund</u>
Totals accounts payable	\$21,489	\$ 13,000
Court Delay Reduction Program	7,772	
Security guard cost reimbursement	30,000	13,000
Automated court reporter fees	32,988	
Families in Need of Services	55,811	
Total	\$150,962	\$26,000

**Fifteenth Judicial District Court Judicial Expense Fund  
NOTES TO FINANCIAL STATEMENTS**

**NOTE G - ACCOUNTS PAYABLE, continued**

The Fifteenth Judicial District Court has been appointed by the state as administrator of a program known as Families In Need of Services. The program is designed to prevent children with disciplinary problems from entering the juvenile court system by counseling with parents and other state agencies to try to correct behavioral problems before the courts must intervene. The Judicial Expense Fund, acting solely as administrative agent, received and disbursed the following, principally to fund salaries of the program's officers. The remainder is included in the Judicial Expense Fund's accounts payable balance at June 30, 1998.

	FYE 6/30/98	FYE# 6/30/95, 96 & 97	Totals at June 30, 1998
Received	\$ 39,849	\$ 82,782	\$ 122,631
Disbursed	860	75,168	76,028
Balance	\$ 38,989	\$ 7,612	\$ 46,601

**NOTE H - FEES, COMPENSATION SUPPLEMENTS & REIMBURSEMENTS**

The Fifteenth Judicial District Court Judicial Expense Fund's general fund has no full-time employees. Personnel assigned to the judiciary include secretaries, a receptionist, and court reporters. The personnel are paid by the respective three parishes of the Fifteenth Judicial District. Some supplements and reimbursements are funded by the Judicial Expense Fund's General Fund via payments to the respective parish governments. These reimbursements include wages, insurance and retirement benefit costs. Law clerks are also assigned to the judiciary. Compensation paid to the law clerks is established by the state and funded by other agencies. The Judicial Expense Fund pays health insurance premiums for the law clerks. Bookkeeping and other services are currently contracted out to selected judge's secretaries.

The employees working in the administrative offices of the Child Support Fund include hearing officers, clerical staff, and a court reporter. They are paid by the local parish government with full reimbursements from the Child Support Fund for their salaries and benefits.

Disclosures relating to the retirement plans should be available in the financial statements of the three parishes.

**NOTE I - CONTINGENCIES**

Secretarial and clerical support staff of the Fifteenth Judicial District Court and The Child Support Fund are paid by the respective parish's police jury or consolidated government. The judges of the district en banc are working to provide parity and uniformity in compensation and benefits. To date, it is uncertain if compensation and benefits have been provided in accordance with established policy. Additionally, it is uncertain which agency would be responsible if a liability exists. The amount of any potential liability has not yet been determined.

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**Report on Compliance and on Internal Control over Financial Reporting  
Based on an Audit of the General Purpose Financial Statements  
Performed in Accordance with Government Auditing Standards**

Judges of the Fifteenth Judicial District Court  
Judicial Expense Fund

We have audited the general purpose financial statements of the Fifteenth Judicial District Court Judicial Expense Fund as of and for the year ended June 30, 1998, and have issued our report thereon dated December 28, 1998. We conducted our 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 Fifteenth Judicial District Court Judicial Expense Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management (the elected judges or here) of the Fifteenth Judicial District Court Judicial Expense Fund in a separate letter dated December 30, 1998.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Fifteenth Judicial District Court Judicial Expense Fund's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable.



Judges of the Fifteenth Judicial District Court  
Judicial Expense Fund  
Exhibit A

conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Fifteenth Judicial District Court Judicial Expense Fund's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as findings 98-01 and 98-02.

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 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 over financial reporting would not necessarily disclose all matters that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are a material weakness.

This report is intended for the information and use of the Fifteenth Judicial District Court Judicial Expense Fund and its management, the judges on here and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

  
Paul D. Anderson, CPA  
Certified Public Accountant

December 28, 1998

**Fillicott Judicial District Court Judicial Expense Fund  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998**

**Part I – Summary of Auditor’s Results**

1. We issued a qualified opinion on the general purpose net financial statements of the Judicial Expense Fund as of June 30, 1998.
2. Our tests of internal control over financial reporting based on an audit of general purpose financial statements performed in accordance with Government Auditing Standards disclosed reportable conditions involving the internal control over financial reporting and its operation. These reportable conditions are described in Findings 98-01 and 98-02. These findings are not considered to be a material weakness.
3. Our tests of compliance based on an audit of the general purpose financial statements performed in accordance with Government Auditing Standards disclosed no material instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management (the elected judges on bench) of the Fillicott Judicial District Court Judicial Expense Fund in a separate letter dated December 30, 1998.
4. Prior year audit findings are listed in the accompanying schedule of prior year findings.

**Part III – Findings Related to the Financial Statements Which are Required to be Reported**

*Under Government Auditing Standards*

**Finding 98-01 – Deficiency in Budgeting**

Annual budgets and interim financial statements were not prepared in a manner that would parallel each other in order to allow meaningful comparisons of actual expenditure transactions to the approved budgeted amounts and amendments when required. The initial budget approved on bench included broad categories or allowances, was on the cash basis and was basically a repeat of the prior year budget with little or no modification even though the prior year expenditures far exceeded its own adopted budget. The judges on bench do not monitor or amend the adopted budget and, consequently, do not participate in any year-round budgeting and monitoring process.

**Management’s Response –** See Corrective Action Plan

Judges of the Fifteenth Judicial District Court  
Judicial Expense Fund  
Exhibit 11

**Finding 04-05 – Deficiency in Expenditure Approvals**

Expenditures approved during the year by the judges on hand and documented in minutes are not recorded as reimbursements and are always tracked through to the disbursement. The record of approval does not provide sufficient detail of the intended expense such as the period covered, when to disburse the funds, or which fund (the judicial expense fund or the child support fund) is responsible and controls do not always insure timely disbursement. Communication with other agencies regarding shared assets should be improved and follow-up notations provided in the minutes or interim financial reports.

**Management's Response – See Corrective Action Plan**

**Fifteenth Judicial District Court Judicial Expense Fund  
Schedule of Prior Year Findings  
For the Year Ended June 30, 1998**

**Part I – Internal Control and Compliance Material to the Financial Statements**

**Finding 57-01L – Deficiency in Budgeting**

Annual budgets and interim financial statements were not prepared in a manner that would parallel each other to allow meaningful comparison of actual expenditure transactions to the approved budgeted amounts and amendments when required. The initial budget approved in June included broad categories or allowances and was on the cash basis. Consequently, the possibility exists that the judges on bench are not involved in the year-round budgeting and measuring process.

**Management's Response** – Partially resolved through the hiring of a court administrator; a public hearing was recently held and an amended budget will be adopted for the current year.

**Finding 57-01L – Deficiency in Expenditure Approach**

Expenditures approved during the year by the judges on bench and documented in minutes are not recorded in encumbrances and not always tracked through to the disbursement. The record of approval does not provide sufficient detail of the intended expense such as the period covered, when to disburse the funds, or which fund (the judicial expense fund or the child support fund) is responsible and controls do not always insure timely disbursements. Communication with other agencies regarding shared costs should be improved and follow-up notations provided in the minutes or interim financial reports.

**Management's Response** – A meeting was held with the judges on bench and guidelines were established to correct this problem. Additionally, a court administrator was hired to assist with the implementation.

**Part II – Management Letter**

**Finding 57-01 – Items/Payment**

Payments by a retiring judge to three support personnel was termed "bonus" and paid without regard to tax withholdings and possible retirement contributions.

**Management's Response** – Payment was not intended to be a bonus, but rather payment for extra hours worked. Communicated policies to all judges at recent judge's meeting.

**Fifteenth Judicial District Court Judicial Expense Fund  
Management's Corrective Action Plan  
For the Year Ended June 30, 1998**

**Part I – Internal Control and Compliance Material to the Financial Statements**

**Finding 98-01 – Deficiency in Budgeting**

<b>Responsible person:</b>	Judge Don Aaron, Jr., representative of Judges En Banc
<b>Corrective action planned:</b>	The judges have hired a court administrator and have adopted a budget for the current fiscal year. A public hearing was recently held and plans are to review and amend the budget prior to the current fiscal year-end.
<b>Anticipated completion date:</b>	June 30, 1998

**Finding 98-02 – Deficiency in Expenditure Approvals**

<b>Responsible person:</b>	Judge Don Aaron, Jr., representative of Judges En Banc
<b>Corrective action planned:</b>	The judges have hired a court administrator to assist with the implementation of expenditure approval guidelines.
<b>Anticipated completion date:</b>	February 15, 1999

**Part II – Management Letter**

**Finding 98-03 – Deficiency in Budgeting**

<b>Responsible person:</b>	Judge Don Aaron, Jr., representative of Judges En Banc
<b>Corrective action planned:</b>	See response to Finding 98-01.
<b>Anticipated completion date:</b>	June 30, 1998

Judges of the Fifteenth Judicial District Court  
Judicial Expense Fund  
Exhibit D

**Finding 98-88 - Deficiency in Investments**

Responsible person: Judge Don Aaron, Jr., representative of Judges En Banc

Corrective action planned: As certificates mature, they will be renewed for twelve-month periods and will require dual signatures. Funding of certain staff is being considered.

Anticipated completion date: Immediate; upon maturity

**Finding 98-89 - Miscal Receipts**

Responsible person: Judge Don Aaron, Jr., representative of Judges En Banc

Corrective action planned: Judges will be reminded of receipt requirements at next judges meeting.

Anticipated completion date: January 12, 1999

Don Aaron, Jr.  
Dec. 30, 1998

**Robidoux & Harris, CPA's**  
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MAY 14 1998

Administrative Services

The Honorable Don Aaron  
Fifteenth Judicial District Court Judicial Expense Fund  
PO Box 1880  
Covington, Louisiana 70027

Management Letter

Dear Judge Aaron:

In connection with the conclusion of our audit of the Fifteenth Judicial District Court Judicial Expense Fund (and its component unit the Child Support Fund) for the year ended June 30, 1998, we take this opportunity to communicate in writing points not required by Government Auditing Standards to be included in the financial report dated December 28, 1998. Our audit report and the accompanying report on compliance and internal control over financial reporting communicated any reportable conditions that came to our attention during the audit. Immaterial instances of noncompliance with laws, regulations or contract provisions are listed below followed by reminders for maintaining compliance by the fund.

The definition of an immaterial instance of noncompliance is where the effect does not result in material misstatement in the financial statements of an agency.

The Local Budget Act requires enhanced monitoring and disclosure of anticipated expenditures beyond that performed by the fund. Budgets should be a means to control and provide a constant measure of what is being spent compared to what should be spent. The structure and account classifications of the budget should parallel the reports prepared by line item and by each judge with spending authority.

Cash management and investing regulations require that certificates of deposit be maintained in short-term accounts. Five certificates of deposit were noted as having maturity dates of 18-24 months as of June 30, 1998. Additionally, the certificates only require one signature.

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Fifteenth Judicial District Court  
Judicial Expense Fund  
Management Letter  
Page 2

Receipts were not always turned in for meals. Although per-diem rates are available in certain instances, these rates should not be consistently used as a substitute for receipt documentation.

Items of questionable immaterial costs or controls needing evaluation but considered nonreportable conditions are not included herein, but will be communicated at the next judge's meeting currently scheduled for January 12, 1998.

Also attached is a schedule of expenditures by respective divisions of the fund. The schedule does not account for expenditures from other sources such as the parishes or the supreme court's allowances. Please review the information presented although we did not audit the allocation of costs to each division and some errors may exist by column.

  
Certified Public Accountant

December 30, 1998