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**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
GRIFINA, LOUISIANA**

AUDITED FINANCIAL STATEMENTS

Year Ended 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 MAY 27 1998

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
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Kushner LaGrange, L.L.P.

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INDEPENDENT AUDITORS' REPORT

To the Judges of the
Twenty-Fourth Judicial District Court
Gretna, Louisiana

We have audited the accompanying general purpose financial statements of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court as of and for the year ended December 31, 1997. These general purpose financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court as of December 31, 1997, and the results of that Fund's operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 9, 1998, on our consideration of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court's compliance and internal control over financial reporting.

Kushner LaGrange, L.L.P.

Monroe, Louisiana
April 9, 1998

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

**COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE
AND GENERAL FIXED ASSETS ACCOUNT GROUP**

December 31, 1997

	<u>General Fund</u>	<u>General Fixed Assets Account Group</u>	<u>Total Memorandum Total</u>
ASSETS			
Cash	4,699,497	\$ 0	\$ 4,699,497
Accounts receivable - Clerk of Court	9,143	0	9,143
Accounts receivable - bond fees	33,255	0	33,255
Accounts receivable - judges	15,900	0	15,900
Accounts receivable - other	71	0	71
Prepaid expenses	13,533	0	13,533
Furniture and equipment	0	847,055	847,055
Courtroom improvements	0	427,216	427,216
	<u>\$ 4,761,299</u>	<u>\$ 1,274,284</u>	<u>\$ 6,035,583</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
LIABILITIES			
Accounts payable	\$ 9,545	\$ 0	\$ 9,545
EQUITY AND OTHER CREDITS			
Investment in general fixed assets	0	1,274,284	1,274,284
Fund balance			
Designated for capital expenditures	500,000	0	500,000
Undesignated	<u>251,451</u>	<u>0</u>	<u>251,451</u>
Total fund balance	<u>751,451</u>	<u>0</u>	<u>751,451</u>
Total Equity and Other Credits	<u>751,451</u>	<u>1,274,284</u>	<u>2,025,735</u>
	<u>\$ 4,761,299</u>	<u>\$ 1,274,284</u>	<u>\$ 6,035,583</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE
Year Ended December 31, 1987

	<u>GENERAL FUND</u>
REVENUES	
Clerk of Court fees - Twenty-Fourth Judicial District Court	\$ 229,802
Bond fees	<u>145,125</u>
TOTAL REVENUES	374,927
EXPENDITURES	
Current	
General government	
Auditing	4,186
Ad hoc judge	5,898
Bad debt expense	1,695
Bank charges	300
Consulting fees	36,442
Dues and subscriptions	17,723
Equipment repairs and maintenance	27,555
Equipment rental	581
Insurance	15,405
Meetings	61,129
Miscellaneous	15,838
Noninventory equipment	16,551
Office supplies	25,305
Computer software	1,129
Secretary expense	22,105
Seminars	27,271
Intergovernmental	99,832
Capital outlay	<u>152,191</u>
TOTAL EXPENDITURES	<u>472,152</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(97,225)

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - CONTINUED
Year Ended December 31, 1987

	<u>GENERAL FUND</u>
OTHER FINANCING SOURCES	
Interest	\$ 33,591
Miscellaneous income	<u>71</u>
	<u>33,662</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(59,769)
FUND BALANCE AT BEGINNING OF YEAR	<u>811,219</u>
FUND BALANCE AT END OF YEAR	<u>\$ 751,451</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- GOVERNMENTAL FUND TYPE - BUDGET (BUDGETARY BASIS) AND ACTUAL
December 31, 1997

	GENERAL FUND				Variance Favorable (Unfavor- able)
	Actual	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Budget	
REVENUES					
Clerk of Court - 24th Judicial District Court	\$ 233,602	\$ 0	\$ 233,602	\$210,000	\$ 23,602
Bond fees	<u>145,125</u>	<u>0</u>	<u>145,125</u>	<u>80,000</u>	<u>65,125</u>
TOTAL REVENUES	378,727	0	378,727	290,000	88,727
EXPENDITURES					
Current					
General government					
Auditing	4,185	0	4,185	4,200	15
Ad hoc judge	5,869	0	5,869	10,500	4,632
Bad debt expense	1,895	0	1,895	0	(1,895)
Bank charges	360	0	360	300	60
Consulting fees	28,443	0	28,443	3,000	(25,443)
Dues and subscriptions	17,723	0	17,723	16,000	(1,723)
Equipment repairs and maintenance	27,555	0	27,555	5,000	(22,555)
Equipment rental	551	0	551	350	(201)
Insurance	15,405	0	15,405	13,000	(2,405)
Meetings	11,129	0	11,129	8,500	(2,629)
Miscellaneous	15,835	0	15,835	7,500	(8,335)
Noninventory equipment	16,551	0	16,551	0	(16,551)
Office supplies	26,308	0	26,308	15,000	(11,308)
Computer software	1,129	0	1,129	3,000	1,871
Secretary expense	22,105	0	22,105	20,000	(2,105)
Seminars	37,271	0	37,271	35,000	(2,271)
Intergovernmental	99,632	0	99,632	0	(99,632)
Capital outlay	<u>192,181</u>	<u>0</u>	<u>192,181</u>	<u>550,000</u>	<u>415,809</u>
TOTAL EXPENDITURES	472,157	0	472,157	708,300	236,143

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- GOVERNMENTAL FUND TYPE - BUDGET (BUDGETARY BASIS) AND ACTUAL
- CONTINUED

December 31, 1997

	GENERAL FUND				
	Actual	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Budget	Variance Favorable (Unfavor- able)
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	\$ (50,430)	\$ 0	\$ (50,430)	\$ (418,350)	\$ 324,920
OTHER FINANCING SOURCES					
Interest	33,591	0	33,591	25,000	8,591
Miscellaneous Income	71	0	71	2,000	(1,929)
	<u>33,662</u>	<u>0</u>	<u>33,662</u>	<u>27,000</u>	<u>6,662</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(58,768)	0	(58,768)	\$ (391,350)	\$ 331,582
FUND BALANCE AT BEGINNING OF YEAR	<u>811,219</u>	<u>0</u>	<u>811,219</u>		
FUND BALANCE AT END OF YEAR	<u>\$ 751,451</u>	<u>\$ 0</u>	<u>\$ 751,451</u>		

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court (the Fund) is presented to assist in understanding the Fund's financial statements. The financial statements and notes are representations of the management of the Fund, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles as applied to governmental units, and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

As provided by Revised Statutes 13:904.995, the Fund was created for the purpose or purposes related to the proper administration or function of the Twenty-Fourth Judicial District Court or the offices of the individual judges of the Twenty-Fourth Judicial District Court.

As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government and its component units. The accompanying financial statements present the Fund as the primary government. No other organization was determined to be a component unit of the Fund. Therefore, no blended or discretely presented component units are presented in the accompanying financial statements.

Fund Accounting

The accounts of the Fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts which are maintained for the purpose of carrying on special activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. 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.

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (cont'd)

The fund has the following fund type and account group:

1. **Governmental Fund - General Fund** - The General Fund is the general operating fund of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court. It is used to account for all financial resources.
2. **Account Group - General Fixed Assets Account Group** - This account group is established to account for all fixed assets of the Fund.

Basis of Accounting

The modified accrual basis of accounting is used by governmental fund types and agency funds. Under this method, 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 pay liabilities within the current period.

Revenues are considered measurable and available when received by the Clerk of Court or the District Attorney, or by the Fund within 90 days after the current year ended. Expenditures are generally recorded when the liability is incurred.

Budgetary Accounting

The administration of the Fund prepares an annual budget for the General Fund. The budget is legally enacted and amended through an en banc meeting of the judges. The budget is prepared primarily on the modified accrual basis of accounting, except that losses resulting from claims and litigation are recorded when paid instead of when the liability arises.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - Budget (Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on the budgetary basis. Budgeted amounts are as originally adopted or as finally amended by the judges.

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrances are not recorded, and therefore, no reservation of fund balance is necessary.

Cash Deposits

Deposits are carried at cost. The carrying amount of deposits is separately displayed on the balance sheet as "Cash".

Cash and cash equivalents reported on the Combined Balance Sheet include amounts in demand deposits and short-term investments with a maturity date within three months of the date purchased, whether restricted or unrestricted.

Louisiana statutes permit the Fund to invest in United States bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks and national banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

Receivables

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account. No allowance was established at December 31, 1997, because all accounts receivable were considered to be collectible.

General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are recorded in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation is not recorded on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

TWENTY-FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

Designated fund balances represent tentative plans for future use of financial resources. Such plans are subject to change and may never be legally authorized or result in expenditures.

Total Column on Combined Statements

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles.

NOTE 2 - CASH DEPOSITS

At December 31, 1997, the carrying amount of the Fund's deposits was \$609,497 and the bank balance was \$695,061, of which \$300,000 was covered by federal depository insurance and \$495,061 was collateralized with securities held by the pledging financial institutions' agent in the Fund's name.

During the year, the Fund's deposits in excess of \$7,000 were transferred daily into an overnight sweep account which earned interest equivalent to the current market rate for Treasury Bills.

NOTE 3 - GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in General Fixed Assets during the year is as follows:

	<u>Balance</u> <u>01/01/97</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Balance</u> <u>12/31/97</u>
Furniture and equipment	\$ 811,510	\$ 140,817	\$ 105,259	\$ 847,068
Courtroom improvements	<u>415,842</u>	<u>11,378</u>	<u>0</u>	<u>427,216</u>
	<u>\$ 1,227,352</u>	<u>\$ 152,191</u>	<u>\$ 105,259</u>	<u>\$ 1,274,284</u>

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

To the Judges of the
Twenty-Fourth Judicial District Court
Gretna, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund of the Twenty-Fourth Judicial District Court (the Fund), as of and for the year ended December 31, 1997, and have issued our report thereon dated April 9, 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 Fund's financial statements are free of material misstatement, we 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

To the Judges of the
Twenty-Fourth Judicial District Court

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting in order 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. Our consideration of the internal control over financial reporting would not necessarily 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Kushner LaGrange, L.L.P.

Metairie, Louisiana
April 9, 1998