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JUDICIAL EXPENSE FUND OF THE TWENTY-FIRST JUDICIAL DISTRICT COURT AMITE, LOUISIANA

REPORT ON AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year Ended December 31, 1998

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 7-14-99

GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year Ended December 31, 1998

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Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

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Member American Institute of Certified Public Accountants

Member Society of Louisiana Certified Public Accountants

May 11, 1999

INDEPENDENT AUDITOR'S REPORT

The Honorable Bruce C. Bennett, Chief Judge and Honorable Judges Twenty-First Judicial District Court Amite, Louisiana

We have audited the accompanying general purpose financial statements of the Judicial Expense Fund of the Twenty-First Judicial District Court as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Judicial Expense Fund of the Twenty-First Judicial District Court's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

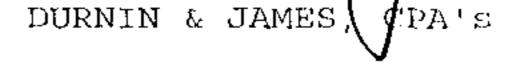
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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 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.

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-First Judicial District Court as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 11, 1999, on our consideration of the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grants.

Respectfully submitted,

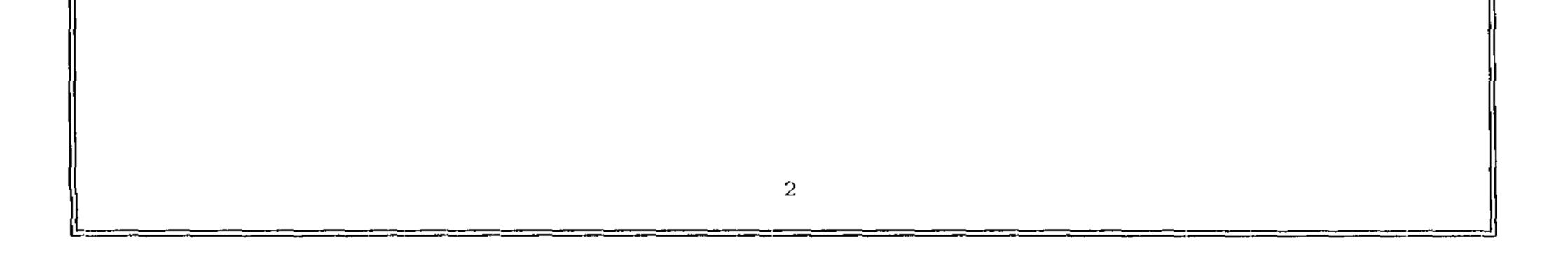
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GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)



Assets: Cash and cash equivalents \$395,205 \$381,902 \$ - \$ 777,107 \$586,517 Receivables 20,760 - 20,760 29,314 Due from other governments (net of allowances - 20,760 29,314 for uncollectibles 60,412 39,227 - 99,639 17,583 Due from other funds - - - - - Fixed assets - - - - - - Itabilities: \$ 425,377 \$ 421,129 \$ 290,068 \$ 1.187,574 \$ 901,044 LIABILITIES AND FUND EQUITY -			, Louisiana			
ACCOUNT _GOVERNMENTAL_FUNDS _GENERAL GENERAL REVENUE _FUNDFUNDASSETS Assets Cash and cash equivalents \$395,205 Receivables Cash and cash equivalents \$395,205 Receivables Cash and cash equivalents \$395,205 Receivables (net of allowances (net other funds 	BALANCE SHE			ACCOUNT GR	OUPS	
		Decemb	er 31, 1998			
GENERAL FUND REVENUE FUND FIXED (MEMORANDUM ONLY). ASSETS ASSETS 1998 1997 ASSETS 1998 1997 Assets: 1998 1997 Cash and cash equivalents \$395,205 \$381,902 \$ - \$ 777,107 \$586,517 Receivables 20,760 - 20,760 29,314 Due from other governments (net of allowances - - 20,763 175,557 Fixed assets - - - 99,639 17,557 Fixed assets - - - - - Fixed assets - - - - - IABELLTIES AND FUND EQUITY LiABELLTIES AND FUND EQUITY - - - - LiABILITIES AND FUND EQUITY - - - - - - Mccounts payable \$ 63,305 \$164,747 \$ - \$ 228,052 \$171,700 Due to other funds - - - - - Investment in general		<u>GOVERNMEN</u>		<u>GROUPS</u>	ЧОТ	ALS
ASSETS Assets: Cash and cash equivalents \$395,205 \$381,902 \$ - \$777,107 \$586,511 Receivables 20,760 - 20,760 29,314 Due from other governments (net of allowances for uncollectibles) 60,412 39,227 - 99,639 17,583 Due from other funds		GENERAL				
Absets: Cash and cash equivalents \$395,205 \$381,902 \$ - \$ 777,107 \$586,517 Receivables 20,760 - 20,760 29,314 Due from other governments (net of allowances - 20,760 29,314 Interim other governments 60,412 39,227 - 99,639 17,583 Due from other funds - - - - - - Fixed assets - - - - - - - LIABILITIES AND FUND EQUITY -		FUND	FUND	<u>ASSETS</u>	<u> 1998 </u>	<u> 1997 </u>
Cash and cash equivalents \$395,205 \$381,902 \$ - \$ 777,107 \$586,513 Receivables 20,760 - 20,760 29,314 Due from other governments (net of allowances for uncollectibles) 60,412 39,227 - 99,639 17,583 Due from other funds 200,068 290,068 267,633 TOTAL ASSETS \$476,377 \$421,129 \$290,068 \$1,187,574 \$901,043 LIABILITIES AND FUND EQUITY Liabilities: Accounts payable \$63,305 \$164,747 \$ - \$ 228,052 \$171,700 Due to other funds						
Receivables 20,760 - - 20,760 29,314 Due from other governments (net of allowances for uncollectibles) 60,412 39,227 - 99,639 17,583 Due from other funds - - - 220,068 2200,068 267.633 TOTAL ASSETS \$476,377 \$421,129 \$290,068 \$1,187,574 \$901,044 LIABILITIES AND FUND EQUITY - - - - - - LIABILITIES AND FUND EQUITY -		\$395,205	\$381.902	\$~	\$ 777.107	\$586.512
<pre>(net of allowances for uncollectibles) 60,412 39,227 - 99,639 17,58: Due from other funds - 290,068 290,068 267,633 TOTAL ASSETS \$476,377 \$421,129 \$290,068 \$1,187,574 \$901,04 LIABILITIES AND FUND EQUITY Liabilities: Accounts payable \$63,305 \$164,747 \$ - \$228,052 \$171,700 Due to other funds</pre>			-			29,314
for uncollectibles) 60,412 39,227 - 99,639 17,583 Due from other funds - Fixed assets 290,068 _290,068 267.633 TOTAL ASSETS \$475,377 \$421,129 \$290,068 \$1,187,574 \$901,041 LIABILITIES AND FUND EQUITY Liabilities: Accounts payable \$63,305 \$164,747 \$ - \$228,052 \$171,700 Due to other funds Total Liabilities \$63,305 \$164,747 \$ - \$228,052 \$171,700 Fund Equity: Investment in general fixed assets \$ - \$ - \$290,068 \$290,068 \$267,633 Fund balances: Unreserved - undesignated 413,072 256,382 \$290,068 \$959,522 \$729,343 TOTAL LIABILITIES AND	Due from other governments	•			•	·
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Fixed assets	-	-	-	•	-	-
LIABILITIES AND FUND EQUITY Liabilities: Accounts payable \$ 63,305 \$164,747 \$ - \$ 228,052 \$171,700 Due to other funds		,,,,,,,		<u>290,068</u>	<u> 290,068</u>	<u>267,632</u>
Liabilities: Accounts payable \$ 63,305 \$164,747 \$ - \$ 228,052 \$171,700 Due to other funds	TOTAL ASSETS	\$ <u>476,377</u>	\$ <u>421,129</u>	\$ <u>290,068</u>	\$ <u>1,187,574</u>	\$ <u>901,041</u>
Fund Equity: Investment in general fixed assets \$ - \$ - \$ 290,068 \$ 267,632 Fund balances: Unreserved - undesignated 413,072 256,382 - 669,454 461,703 Total Fund Equity \$413,072 \$256,382 \$290,068 \$ 959,522 \$ 729,342	Liabilities: Accounts payable	\$ 63,305	\$164,747	\$	\$ 228,052	\$171,700
Investment in general fixed assets \$ - \$ - \$290,068 \$ 290,068 \$267,632 Fund balances: Unreserved - undesignated <u>413,072</u> <u>256,382</u> <u>- 669,454</u> <u>461,709</u> Total Fund Equity \$413,072 \$256,382 \$290,068 \$ 959,522 \$729,342 TOTAL LIABILITIES AND	Total Liabilities	\$ 63,305	\$164,747	\$~	\$ 228,052	\$171,700
fixed assets \$ - \$ - \$290,068 \$ 290,068 \$267,632 Fund balances: Unreserved - undesignated <u>413,072</u> <u>256,382</u> <u>- 669,454</u> <u>461,709</u> Total Fund Equity \$ <u>413,072</u> \$ <u>256,382</u> \$ <u>290,068</u> \$ <u>959,522</u> \$ <u>729,34</u> TOTAL LIABILITIES AND	Fund Equity:					
undesignated <u>413,072</u> <u>256,382</u> <u>- 669,454</u> <u>461,709</u> Total Fund Equity \$ <u>413,072</u> \$ <u>256,382</u> \$ <u>290,068</u> \$ <u>959,522</u> \$ <u>729,34</u> TOTAL LIABILITIES AND	fixed assets Fund balances:	\$ -	\$ -	\$290,068	\$ 290,068	\$267,632
	undesignated			\$ <u>290,068</u>		<u>461,709</u> \$ <u>729,341</u>
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		\$ <u>476,377</u>	\$ <u>421,129</u>	\$ <u>290,068</u>	\$ <u>1,187,574</u>	\$ <u>901,04</u> 1

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The accompanying notes are an integral part of this statement.

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<u>COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND</u> <u>CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES</u>

For the Year Ended December 31, 1998

	GENERAL	SPECJAL REVENUE		PALS DUM <u>ONLY)</u>
	FUND	FUND	1998	1997
REVENUES				
Fees:				
Civil Court	\$ 68,650	\$ -	\$ 68,650	\$ 73,440
Criminal Court	106,774	-	106,774	102,440
Criminal Court - DOC	3,210	-	3,210	4,090
Criminal probation supervision fees	158,105	-	158,105	130,020
Support enforcement fees	-	399,774	399,774	31J,342
Reimbursement from criminal court fund	60,412	32,649	93,061	36,050
Intergovernmental Grant	-	28,000	28,000	28,000
Interest earned	12,601	9,657	22,258	15,423
Other income	(215)	100	<u>(115</u>)	1,910
Total Revenues	\$409,537	\$470,180	\$879,717	\$702,727
EXPENDITURES				
Current:				
Administrator's contract	\$ 43,406	\$ -	\$ 43,406	\$ 36,566
Salaries and related	39,035	681	39,716	34,380
General office expenditures	36,109	21,956	58,065	65,814
Repairs and maintenance	2,663	-	2,663	3,887
Telephone	35,844	3,825	39,669	36,711
haw library, books and cassettes	2,359	667	3,026	4,509
Travel, training and meetings	10,033	8,842	18,875	19,220
Co-operative endeavor agreement	_	-	-	60,269
Accounting, auditing and				
professional fees	11,065	2,955	14,020	13,645
Court reporters	70,432	28,626	99,058	35,722
Contracted law clerks	•	23,174	23,174	71,039
Insurance	3,743	1,276	5,019	6,393
Probation officer contract	85,247	-	85,247	73,673
Hearing officer contract	-	63,370	63,370	56,82
Stenographer, bailiff, public defender				
minute clerk and other clerks	-	73,229	73,229	133,451
Data Processing	3,936	3,046	6,982	4,801
FINS program expenditures	(500)	71,246	70,746	48,069
Other	1,201	2,070	3,271	2,078
Capital outlay	7,162	15,274	22,436	77,794
Total Expenditures	\$ <u>351,735</u>	\$ <u>320,237</u>	\$671,972	\$ <u>782,862</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	\$ 57,802	\$149,943	\$207,745	\$(80,135
Other Financing Sources (Uses):				
Operating Transfers In (Out)	<u>(345</u>)	345	<u> </u>	;
Excess (Deficiency) of Revenues and				
Other Sources Over Expenditures				
and Other Uses	\$ 57,457	\$150,288	\$207,745	\$(80,135
FUND BALANCE:				
Beginning of Year	\$ <u>355,615</u>	\$ <u>106,094</u>	\$ <u>461,709</u>	\$ <u>541,84</u> 4
End of Year	\$ <u>413,072</u>	\$ <u>256,382</u>	\$ <u>669,454</u>	\$ <u>461,70</u>

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The accompanying notes are an integral part of this statement.
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COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET (GAAP) BASIS AND ACTUAL -

ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1998

	<u> </u>	GENERAL FU	ND	SP	ECIAL REVEN	UE FUND
	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	AMENDED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
REVENUES						
Fees: Civil Court	\$ 75,000	\$ 68,650	\$ (6,350)	\$-	\$ -	<u>c</u> ,
Criminal Court	113,000	106,774	(6,226)	-		-
Criminal Court - DOC	3,000	3,210	210	-	-	
Criminal probation						
supervision fees	145,000	158,105	13,105	-	••	-
Support enforcement fees	-	-	-	318,500	399,774	81,274
Reimbursement from Criminal Court				-		-
Fund	38,000	60,412	22,412	-	32,649	32,649
Intergovernmental Grant		-	-	28,000	28,000	
Interest earned	9,000	12,601	3,601	8,500	9,657	1,157
Other income	250	(215)	(465)	<u> </u>	<u> </u>	100
Total Revenues	\$383,250	\$409,537	\$ 26,287	\$355,000	\$470,180	\$115,180

EXPENDITURES

Current:

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Currenc.						
Administrator's contract	\$ 41,000	\$ 43,406	\$ (2,406)	\$	\$ -	Ş
Salaries and related	37,000	39,035	(2,035)	500	681	(181)
General office expenditures	36,250	36,109	141	17,550	21,956	(4,406)
Repairs and maintenance	4,000	2,663	1,337	500	-	500
Telephone	36,000	35,844	156	6,000	3,825	2,375
Law library, books and						
cassettes	4,200	2,359	1,841	1,000 L	667	333
Travel, training and meetings	12,700	10,033	2,667	13,000	8,842	4,158
Co-operative endeavor	-	-	-	39,000		39,000
Accounting, auditing and						
professional fees	7,000	11,065	(4,065)	4,000	2,955	1,045
Court reporters	70,500	70,432	68	1,000	28,626	(27, 626)
Contracted law clerks	-	-	-	35,500	23,174	12,326
Insurance	4,000	3,743	257	3,200	1,276	1,924
Probation officer contract	80,300	85,247	(4,947)		-	-
Hearing officer contract	-	-	-	62,000	63,370	(1, 370)
Stenographer, bailiff, public						
defender, minute clerk,						
and other clerks	-	-	-	104,600	73,229	31,371
Data processing	5,000	3,936	1,064	2,500	3,046	(546)
FINS program expenditures	-	(500)	500	81,700	71,246	10,454
Other	-	1,201	(1,201)	4,200	2,070	2,130
Capital outlay	18,500	7,162	11,338	15,000	15,274	(274)
Debt service-principal	<u>,000</u>		1,000	b	<u> </u>	·
Total Expenditures	\$ <u>357,450</u>	\$ <u>351,735</u>	\$ <u>5,715</u>	\$ <u>391,250</u>	\$ <u>320,237</u>	\$ <u>71,013</u>
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENDITURES	\$ 25,800	\$ 57,802	\$ 32,002	\$(36,250)	\$149,943	\$186,193
Other Financing Sources (Uses):						
Operating Transfers In (Out)	--	(345)	<u> (345</u>)	••	345	345
Excess (Deficiency) of Revenues						
and Other Sources Over						
Expenditures and Other Uses	\$ 25,800	\$ 57,457	\$ 31,657	\$(36,250)	\$150,288	\$186,538

FUND BALANCE:

Beginning of Year \$<u>355,615</u> \$<u>-</u>\$<u>106,094</u> \$<u>106,094</u> \$<u>-</u> End of Year \$<u>381,415</u> \$<u>413,072</u> \$<u>31,657</u> \$<u>69,844</u> \$<u>256,387</u> \$<u>186,538</u>

The accompanying notes are an integral part of this statement.

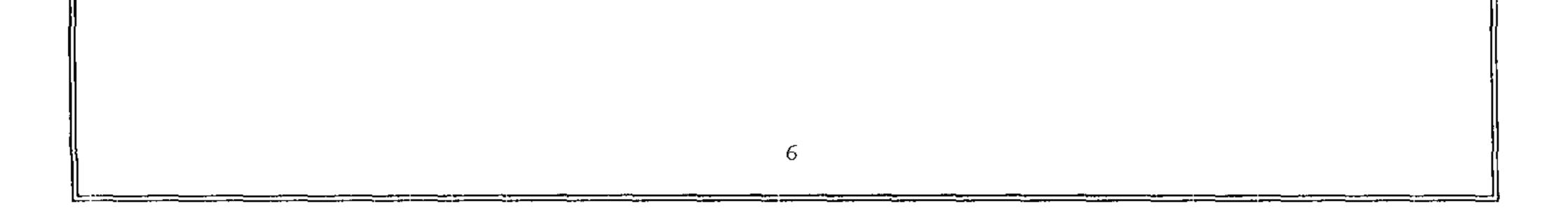
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For the Year Ended December 31, 1998

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 1998

INTRODUCTION

The Judicial Expense Fund of the Twenty-First Judicial District Court (hereafter referred to as "Judicial Expense Fund") was established on July 8, 1981 by Act No. 437, Subsection A of Section 996.6 of Title 13 of the Louisiana Revised Statutes of 1950 by the Legislature of Louisiana. This original Act was amended by Act 1985, Number 64, Section 1.

The Amended Act provides for the collection of fees or costs in addition to all other fees or costs now or hereafter provided by law. The Clerks of Court of the Twenty-First Judicial District Court shall collect from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum to be determined by Judges of said district, sitting en banc, which sum shall <u>not exceed</u> <u>ten dollars</u>, subject; however, to the provisions of Louisiana Code of Civil Procedure, Article 5181, et seq.; and, in all criminal cases over which the Twenty-First Judicial District Court has jurisdiction, there shall be taxed as costs against every defendant who is convicted after trial or after he pleads guilty or who forfeits his bond, a sum likewise determined, but which shall <u>not exceed ten dollars</u>, which shall be in addition to all other fines, costs or forfeitures lawfully imposed, and which shall be transmitted to the said clerk for further disposition in accordance herewith.

The judges, en banc, of the Twenty-First Judicial District Court may pay each of their court reporters a salary from the judicial expense fund. The judges, en banc, may further appoint such secretarial, clerical, research, administrative or other personnel as they deem necessary to expedite the business and function of the court and pay all or any part of the salaries of such personnel out of the monies in the judicial expense fund. In like manner, the judges may utilize the monies in the judicial expense fund to pay all or any part of the cost of establishing and maintaining a law library for the court, or for buying and maintaining any type of equipment, supplies or other items consistent with the proper administration and efficient operation of the court.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Judicial Expense Fund 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. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially 7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- Appointing a voting majority of an organization's governing body, and 1.
 - The ability of the Parish Council to impose its will on that a. organization and/or

 - The potential for the organization to provide specific financial b. benefits to or impose specific financial burdens on the Parish Council.
- Organizations for which the Parish Council does not appoint a voting 2. majority but are fiscally dependent on the Council.
- Organizations for which the reporting entity financial statements would 3. be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Judicial Expense Fund's revenues are self-generated, the Judicial Expense Fund is not fiscally dependent on the council. The Judicial Expense Fund was determined not to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Judicial Expense Fund and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

FUND ACCOUNTING c.

The accounts of the Judicial Expense Fund are organized on the basis of two funds and two account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues, and expenditures. Funds of the Judicial Expense Fund are classified as governmental funds. Governmental funds account for the Judicial Expense Fund's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. Governmental funds of the Judicial Expense Fund include: 8

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- 1. General Fund the general operating fund of the Judicial Expense Fund accounts for all financial resources, except those required to be accounted for in other funds.
- 2. Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

D. FIXED ASSETS 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 fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on the general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group. The Judicial Expense Fund had no long-term debt at December 31, 1998.

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following 9

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

practices in recording revenues and expenditures:

<u>Revenues</u>

Substantially all governmental fund revenues (fees, grants and interest earned) are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. An exception to this rule is criminal probation supervision fees which are recorded as revenue when received.

Expenditures

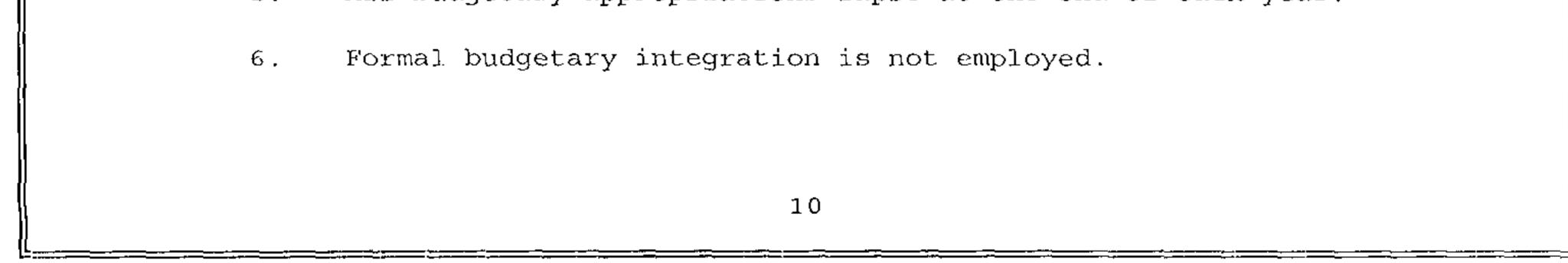
Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. BUDGETS AND BUDGETARY ACCOUNTING

The Judicial Expense Fund adopted an operating budget for the general fund and the special revenue fund for the fiscal year ended December 31, 1998. The budget for the general fund and the special revenue fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

The Judicial Expense Fund follows these procedures in establishing the budgetary data reflected in these financial statements:

- 1. The Fund Administrator prepares a proposed budget and submits it to the Judges of the Twenty-First Judicial District Court for their review no later than fifteen days prior to the beginning of each fiscal year.
- 2. A meeting is then held with the Fund Administrator and the Judges to review the proposed budget and formal adoption is made by majority vote of the Judges of the Twenty-First Judicial District Court. The budget for 1998 was adopted by the Judges on November 5, 1997.
- 3. Copies of the adopted budget are kept on file for public inspection.
- 4. Budgetary amendments due to increases or decreases in revenues or expenditures over amounts estimated require majority vote of the Judges of the Twenty- First Judicial District Court. The budget for the year ended December 31, 1998, was amended by majority vote of the Judges on October 7, 1998.
- 5. All budgetary appropriations lapse at the end of each year.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

G. ENCUMBRANCES

The Judicial Expense Fund does not utilize encumbrance accounting.

H. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits and time certificates of deposit. Under state law, the Judicial Expense Fund 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.

I. INVENTORIES

The Judicial Expense Fund has no inventory on hand at December 31, 1998

Expendable supplies in the General Fund are recorded as expenditures at the time the supplies are purchased.

J. PREPAID ITEMS

The Judicial Expense Fund did not record any prepaid items at December 31, 1998.

K. FIXED ASSETS

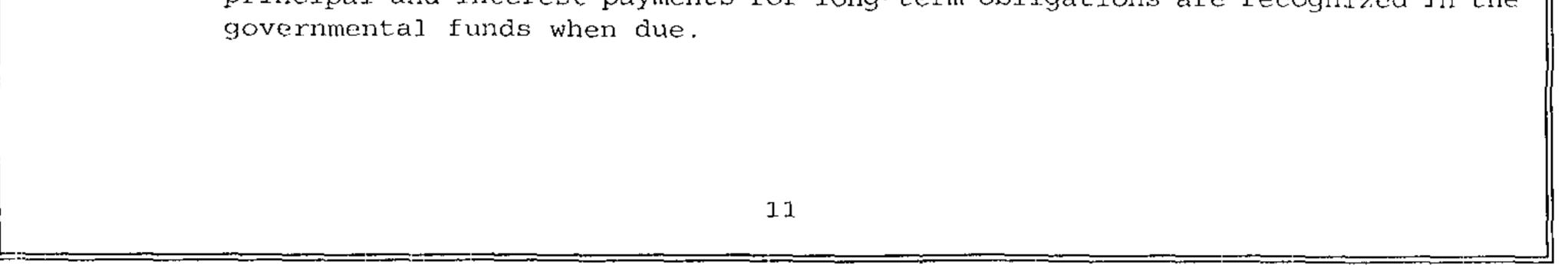
Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs.

L. COMPENSATED ABSENCES

All full-time employees earn ten (10) days of annual leave and ten (10) days of sick leave after one year of service. Unused sick leave and annual leave is not accumulated. At December 31, 1998, there were no employee leave benefits requiring recognition in accordance with GASB Statement No. 16.

M. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

N. TOTAL COLUMN ON COMBINED STATEMENT

The total column on the combined statement is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include demand deposits and time certificates of deposits. Under Louisiana law the Fund may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Fund may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As reflected in the accompanying combined balance sheet, the Fund had cash and cash equivalents totaling \$777,107 at December 31, 1998. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following is a summary of cash and cash equivalents as confirmed by financial institutions at December 31, 1998, with the related federal deposit insurance and pledged securities. The cash and cash equivalents at December 31, 1998, were secured as follows:

	CONFIRMED		PLEDGED
	BANK BALANCES	FDIC	SECURITIES
	<u>DEC. 31, 1998</u>	<u>INSURANCE</u>	(CATEGORY 3)
Demand Deposits	\$-	\$ -	\$-
Interest Bearing Demand Deposits	315,531	224,954	90,577
Time Certificates Deposit	<u>440,014</u>	<u>331,059</u>	<u>108,955</u>
Total	\$ <u>755,545</u>	\$ <u>556,013</u>	\$ <u>199,532</u>

3. RECEIVABLES

Receivables represent accrued interest on certificates of deposit, court filing fees, and support account fees earned in 1998 and received in 1999 from the following:

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	General <u>Fund</u>	Special Revenue <u>Fund</u>	<u> 'Total</u>
Fees:			
Clerk of Court:			
Tangipahoa Parish	\$ -	\$ -	\$ ·
Livingston Parish	-	-	-
St. Helena Parish	340	<u> </u>	340
Civil Court Fees	\$ <u>340</u>	\$	\$ <u>340</u>
Sheriffs:			
Tangipahoa Parish	\$ 2,190	\$ -	\$ 2,390
Livingston Parish	15,780	-	15,780
St. Helena Parish	2,450		<u>2,450</u>

Criminal	Court Fees	\$20,420	\$ -	\$20,420
Other			<u> </u>	
'l'ot	al Receivables	\$ <u>20,760</u>	\$ <u></u>	\$ <u>20,760</u>
No allowance f	for uncollectible receivables	is required	at Decembe	er 31, 1998.
4. DUE FROM OTHER	R GOVERNMENTAL UNIT			
Fund of Livin	governments consists of uns gston Parish and amounts du t Fund. The outstanding bala	e from the T	'angipahoa	Parish Council -
Criminal	Court Fund - Livingston Par	ish		\$20,122
Tangipah	oa Parish Council - Criminal	Court Fund		<u>79,517</u>
	Subtotal			\$99,639
Less All	owance For Uncollectible Amo	unts		
	Total			\$ <u>99,639</u>
5. CHANGES IN GEN	NERAL FIXED ASSETS			

The general fixed assets of the Judicial Expense Fund include only those assets purchased by funds provided for in the Judicial Expense Fund.

A summary of changes in general fixed assets for the year ended December 31, 1998 follows:

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Furniture & Fixtures Equipment	Balance January <u>1, 1998</u> \$ 28,735 <u>238,897</u>	<u>Additions</u> \$ 2,193 <u>20,243</u>	<u>Deductions</u> \$ -	Balance December <u>31, 1998</u> \$ 30,928 <u>259,140</u>
Total	\$ <u>267,632</u>	\$ <u>22,436</u>	\$	\$ <u>290,068</u>

6. PENSION PLAN

All employees of the Judicial Expense Fund are members of the social security system.

In addition to employee payroll deduction, the Judicial Expense Fund remits funds to match the employee contributions. The Fund's portion of contributions to the social security system for the year ended December 31, 1998, totaled \$1,685. The Judicial Expense Fund does not have any liability for employee pension benefits.

7. LEASES

The Judicial Expense Fund records operating leases as current expenditures in the accompanying financial statements. The following is an analysis of significant operating leases at December 31, 1998:

On July 27, 1993, the Judicial Expense Fund entered into a 15 month lease for a photo copier, the lease provides for rental of \$600 per month commencing July 27, 1993 through October 27, 1994; thereafter, for \$300 per month until terminated.

On September 16, 1993, the Judicial Expense Fund entered into a 16 month lease for a photo copier. The lease provides for rental of \$475 per month commencing September 16, 1993 through January 16, 1994; thereafter, for \$275 per month until terminated.

On April 27, 1995, the Judicial Expense Fund entered into a month-by-month lease for office rent in Livingston Parish. The lease provides for rental of \$500 per month commencing May 1, 1995, and can be terminated at any time.

On January 2, 1996, the Judicial Expense Fund entered into a twelve month lease for office rent in Tangipahoa Parish. The lease provides for rental of \$300 per month commencing January 2, 1996, through January 2, 1997; thereafter, for \$350 per month until terminated.

Since each of these four leases may be terminated at any time, the Judicial Expense

Fund has no required future annual commitments under these leases.

8. LITIGATION

There is no litigation pending against the Judicial Expense Fund at December 31,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1998.

9. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

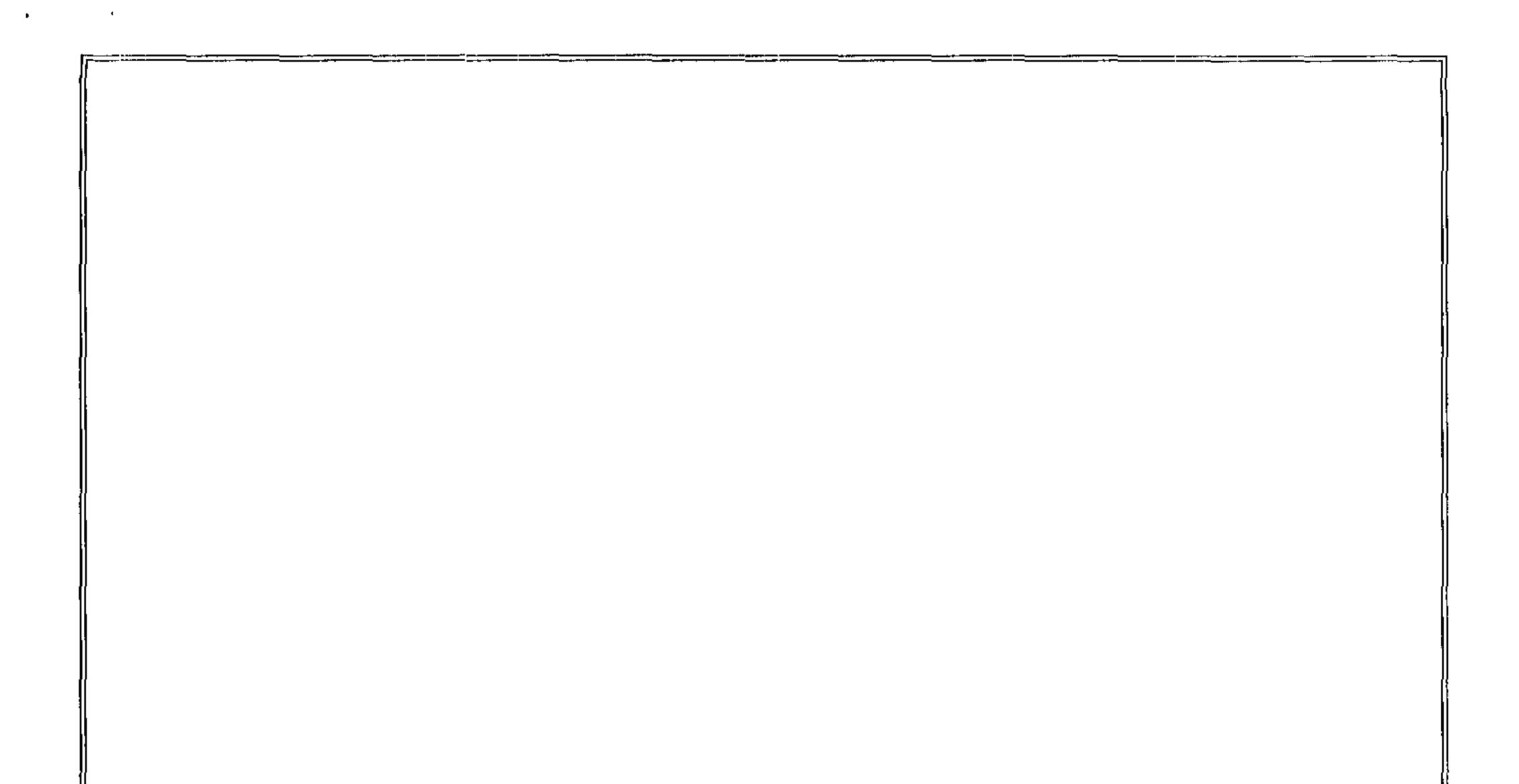
The Judicial Expense Fund of the Twenty-First Judicial District has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the Judicial Expense Fund's operations. Based on this inventory, the Judicial Expense Fund is in the assessment stage, nearing the remediation stage. Testing and validation of the any system changes resulting from the remediation stage will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Judicial Expense Fund is or will be year 2000 ready, that the Judicial Expense Fund's remediation efforts will be successful in whole or in part, or that parties with whom the Judicial Expense Fund does business will be year 2000 ready.

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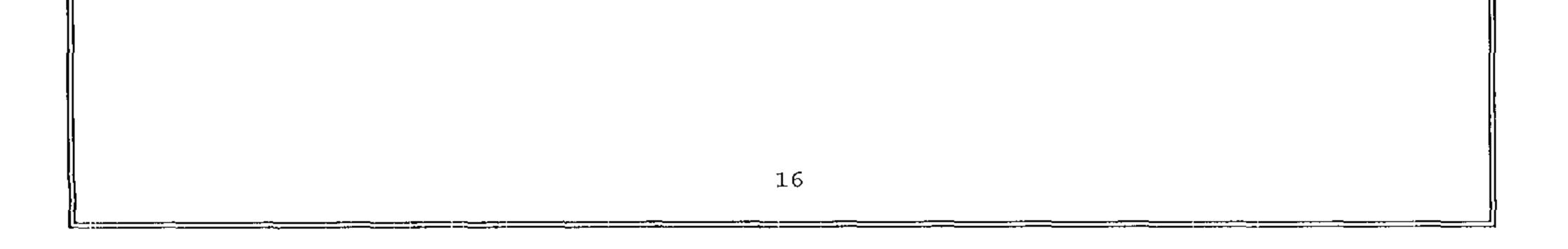
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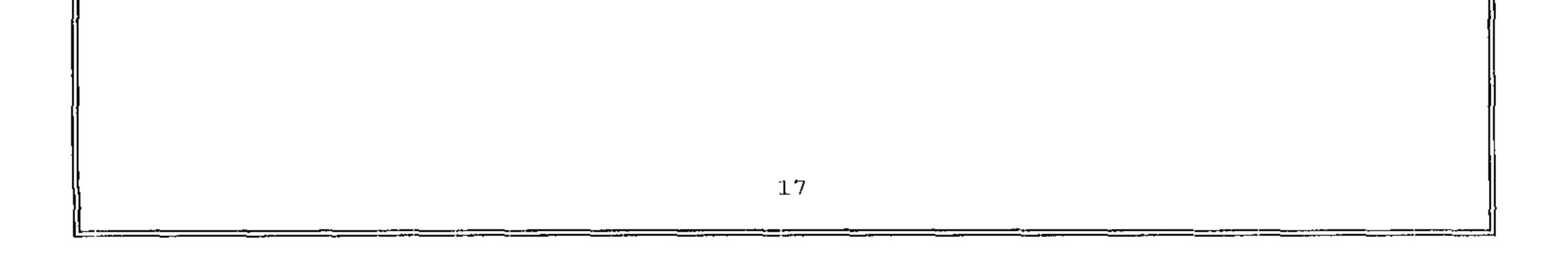
OTHER INDEPENDENT AUDITOR'S REPORTS AND FINDINGS AND RECOMMENDATIONS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>



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Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

John N. Durnin, CPA* Dennis E. James, CPA* *A Professional Corporation

Charles D. Mathews, CPA Bryon C. Garrety, CPA

Member American Institute of Certified Public Accountants

Member Society of Louisiana Certified Public Accountants

May 11, 1999

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Bruce C. Bennett, Chief Judge and Honorable Judges Twenty-First Judicial District Court Amite, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund of the Twenty-First Judicial District Court, Amite, Louisiana, as of and for the year ended

December 31, 1998, and have issued our report thereon dated May 11, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

<u>Compliance</u>

As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twenty-First Judicial District Court'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 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 instance of noncompliance that is required to be reported under <u>Government Auditing Standards</u>.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Judicial Expense Fund of the Twenty-First Judicial District Court'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. 18

P. O. Box 506 • 112 East Chestnut Street • Amite, Louisiana 70422 • (504)748-5134 • Fax: (504)748-4116 103 North Sixth Street • Ponchatoula, Louisiana 70454 • (504)386-8180 • Fax: (504)386-0210

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JUDICIAL EXPENSE FUND OF THE TWENTY-FIRST JUDICIAL DISTRICT COURT

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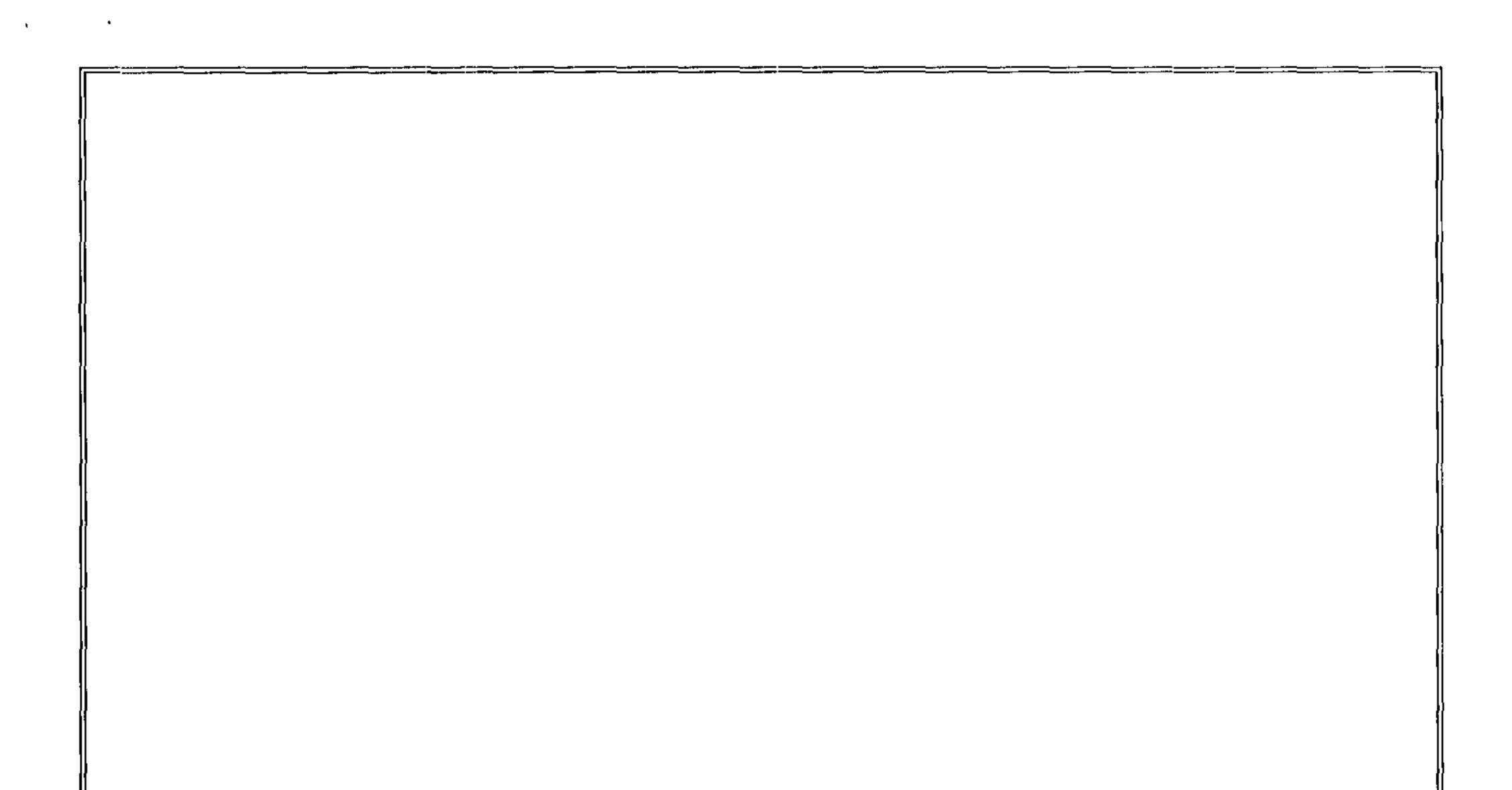
We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Respectfully submitted,

Durnin & JAMES, (CPA'S

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FINDINGS AND RECOMMENDATIONS

CURRENT YEAR AUDIT FINDINGS For the Year Ended December 31, 1998

FINDINGS AND RECOMMENDATIONS

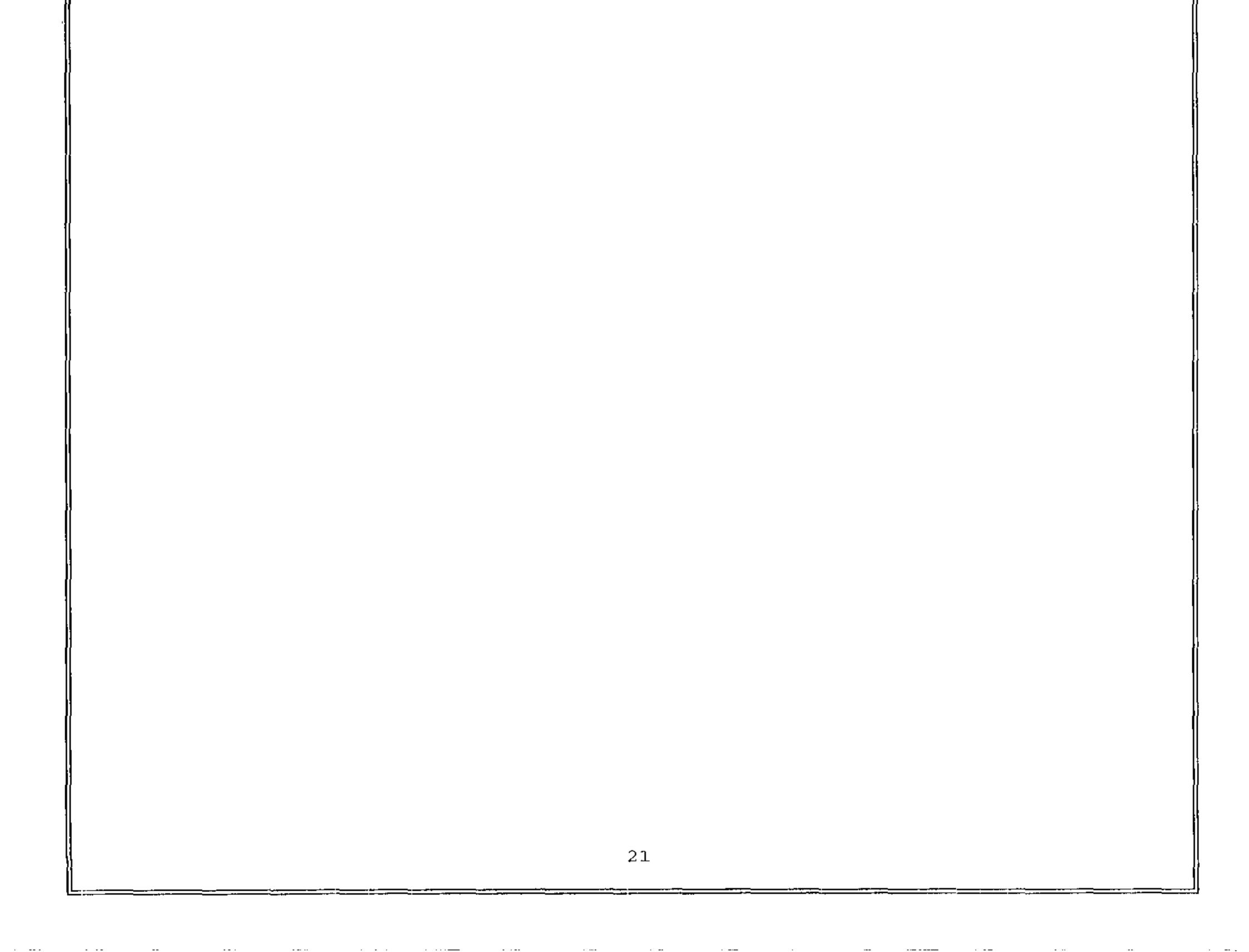
None.

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CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

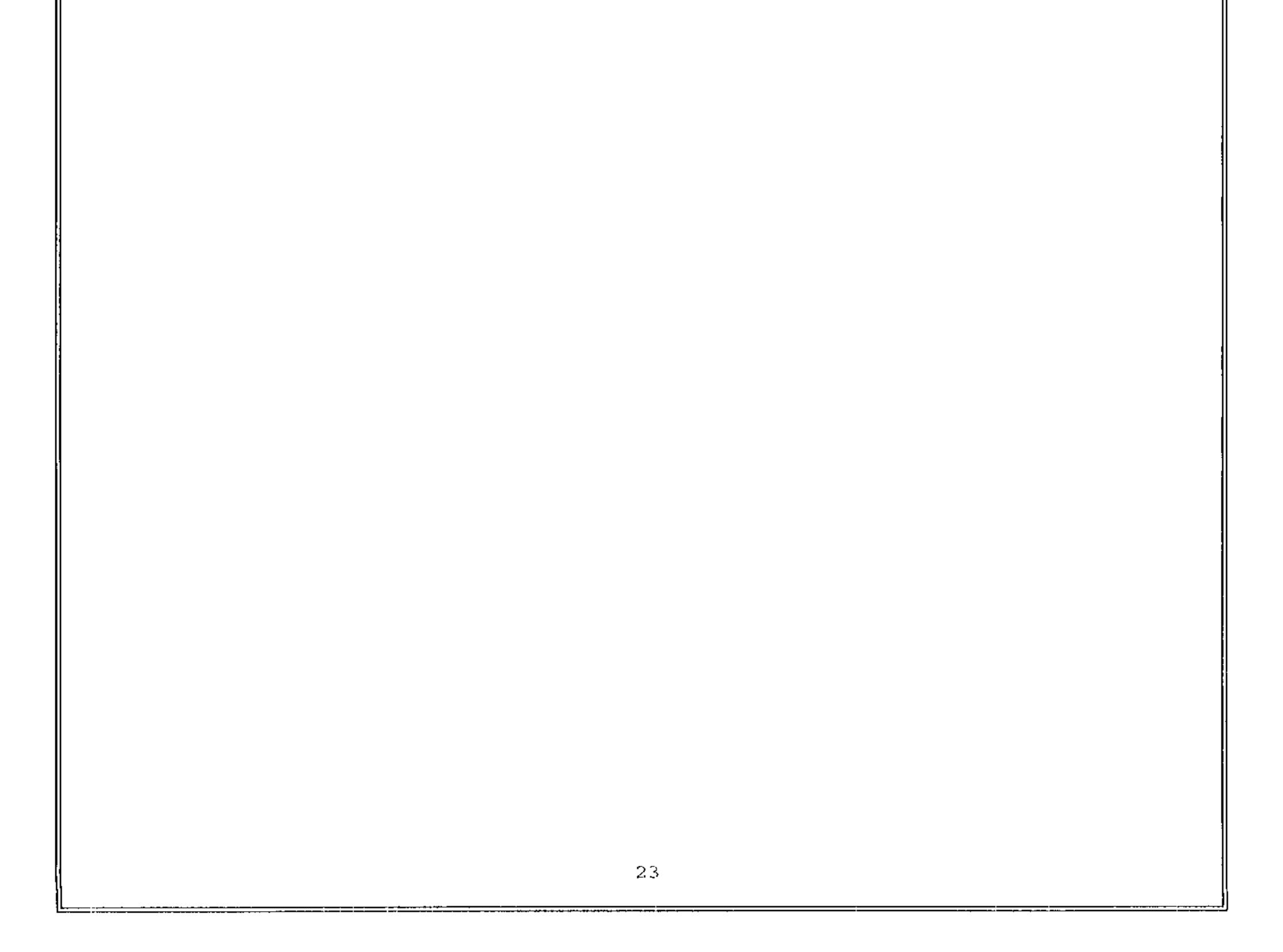


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		DICIAL EXPENSE FUND OF THE -FIRST JUDICIAL DISTRICT (Amite, Louisiana		
		<u>ON PLAN FOR CURRENT YEAR A</u> e Year Ended December 31,		
<u>Ref.</u> # N/A	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	Name of <u>Contact Person</u>	Anticipated Completion <u>Date</u>

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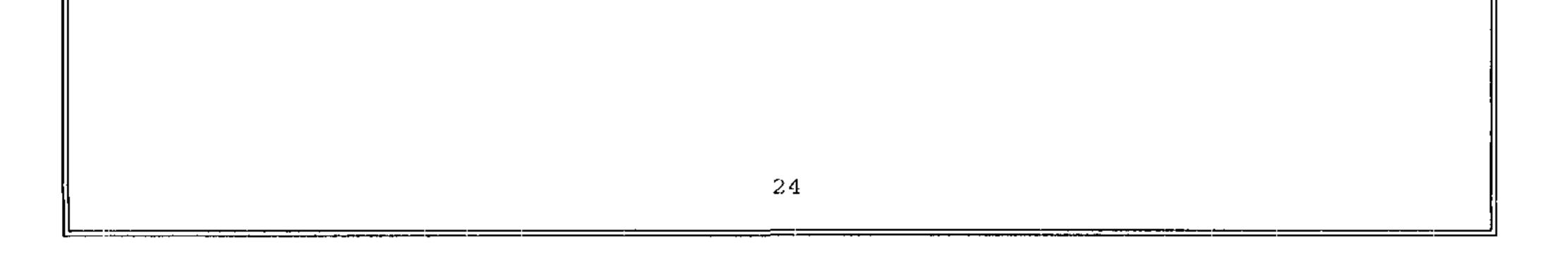
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



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FINDINGS 1998 1 .

Additional <u>Explanation</u> Action -<u>Action Taken</u> Monitor pledged securities on an ongoing basis. Plan Corrective Action Partial Corrective Action

M/A

ENSE FUND OF TH VICIAL DISTRICT Louisiana	<u>Ended December 31,</u>		The bank pledged sufficient securities.
JUDICIAL EXPENSE FUND OF TH TWENTY-FIRST JUDICIAL DISTRICT Amite, Louisiana	<u>SUMMARY SCHEDULE OF PRIOR</u> For the Year Ended Decem	ជ	Inadequate pledged securities
		Year nitially red	「 ひのの」 「 「

