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THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
OBERLIN, LOUISIANA

ANNUAL FINANCIAL STATEMENTS AND ACCOUNTANTS' COMPILATION REPORT

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 7-28-99

Royce T. Scimemi, CPA, Inc.
Oberlin, LA

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Oberlin, LA

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June 23, 1999

Honorable Judge Joel G. Davis
Thirty-Third Judicial District Court
Oberlin, Louisiana

I have compiled the accompanying general purpose financial statements of the Thirty-Third Judicial District Court Judicial Expense Fund, as of December 31, 1998, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

ROYCE T. SCIMEMI, CPA, INC.

Royce T. Scimemi, CPA, Inc.

THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1998

	<u>GOVERNMENTAL FUND TYPES</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	
ASSETS			
Cash	\$ 25,716		\$ 25,912
Investments, at cost	128,196		128,196
Receivables			
Gaming revenue	14,872		14,872
Court cost revenue	1,625		1,625
Accrued interest	1,006		1,006
Fixed assets	_____	\$ 11,826	<u>11,826</u>
TOTAL ASSETS	\$ <u>171,415</u>	\$ <u>11,826</u>	\$ <u>183,241</u>
 LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts Payable	\$ <u>148</u>		\$ <u>148</u>
Fund Equity			
Investment in general fixed assets		\$ 11,826	\$ 11,826
Fund balances Unreserved and undesignated	\$ <u>171,267</u>	_____	<u>171,267</u>
TOTAL FUND EQUITY	<u>171,267</u>	<u>11,826</u>	<u>183,093</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>171,415</u>	\$ <u>11,826</u>	\$ <u>183,241</u>

The accompanying notes and accountants' report are an integral part of these financial statements.

THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - All Governmental Fund Types

Year Ended December 31, 1998

	<u>GENERAL FUND</u>
REVENUES	
Gaming revenues	\$ 66,523
Court cost revenue	26,117
Interest income	<u>4,229</u>
TOTAL REVENUES	<u>96,869</u>
EXPENDITURES	
General Government	
Dues and subscriptions	195
Reference materials	277
Professional fees	1,100
Seminars	1,152
Telephone	342
Uniforms	3,042
Capital outlay	<u>8,845</u>
TOTAL EXPENDITURES	<u>14,953</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	81,916
FUND BALANCE - BEGINNING	<u>89,351</u>
FUND BALANCE - ENDING	\$ <u>171,267</u>

The accompanying notes and accountants' report are an integral part of these financial statements.

THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *Thirty-Third Judicial District Court* was created by the Louisiana Legislature. The Court is governed by the Honorable Judge Joel G. Davis, who is an elected official.

The financial statements of the *Thirty-Third Judicial District Court Judicial Expense Fund* have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the *Thirty-Third Judicial District Court Judicial Expense Fund* includes all funds, account groups, et cetera, that are within the oversight responsibility of the *Thirty-Third Judicial District Court*.

As the governing authority, for reporting purposes, the *Thirty-Third Judicial District Court* is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially 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 *Thirty-Third Judicial District Court* 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:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the *Thirty-Third Judicial District Court* to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the *Thirty-Third Judicial District Court*.
2. Organizations for which the *Thirty-Third Judicial District Court* does not appoint a voting majority but are fiscally dependent on the *Thirty-Third Judicial District Court*.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, *Thirty-Third Judicial District Court* is the reporting entity.

Continued

THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Fund Accounting

The Thirty-Third Judicial District Court Judicial Expense Fund uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

The following funds and group of accounts are used by the Court:

Governmental Funds:

Funds of the Court are classified as governmental funds. Governmental funds account for the Court'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 Court include:

1. General Fund - the general operating fund of the Court and accounts for all financial resources, except those required to be accounted for in another fund.

Account Groups:

General Fixed Assets Account Group:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Continued

THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, 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 be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are gaming revenues and court cost revenues.

4. Cash and Investments

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the Court 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. Investments includes amounts in certificates of deposit with original maturities of 90 days or more and are readily convertible to cash. The investments are stated at cost which approximates market.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 1998 the Court had \$154,797 in deposits (collected bank balances), all of which was secured from risk by federal deposit insurance.

5. Total Columns on Statements

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Continued

THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 1998

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	12/31/98 <u>Balance</u>	Net 1998 <u>Additions</u>	12/31/98 <u>Balance</u>
Furniture and Fixtures	\$	\$ 8,845	\$ 8,845
Machinery and equipment	<u>2,981</u>	_____	<u>2,981</u>
Totals	\$ <u>2,981</u>	\$ <u>8,845</u>	\$ <u>11,826</u>

NOTE C - 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 district may have no computer systems or other electronic equipment that directly may be affected by the year 2000 issue, but the district may be affected by third-party compliance with 2000 issues, to which the district has no control over.

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 Thirty-Third Judicial District Court's efforts will be successful in whole or in part, or that parties with whom the Thirty-Third Judicial District Court does business will be year 2000 ready.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 23, 1999

Honorable Judge Joel G. Davis
Thirty-Third Judicial District Court
Oberlin, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Thirty-Third Judicial District Court Judicial Expense Fund and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Thirty-Third Judicial District Court Judicial Expense Fund's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials or supplies exceeding \$15,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the District Judge as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The Court did not have any employees for 1998.

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4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

See "3." above.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The Court is not required to adopt a budget in accordance with LSA-RS 39:1304.

6. Trace the budget adoption and amendments to the minute book.

See "5." above.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

See "5." above.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

The payments received proper approvals.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Court is not required to hold meetings.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A review of cash disbursements of the Court indicated no payments for any bonuses, advances or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of The Thirty-Third Judicial District Court, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

ROYCE T. SCIMEMI, CPA, INC.

Royce T. Scimemi, CPA, Inc.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

06/17/99 (Date Transmitted)

Royce T. Scimemi, CPA, Inc.

P.O. Box 210

Oberlin, LA 70655

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 6/17/99
(date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

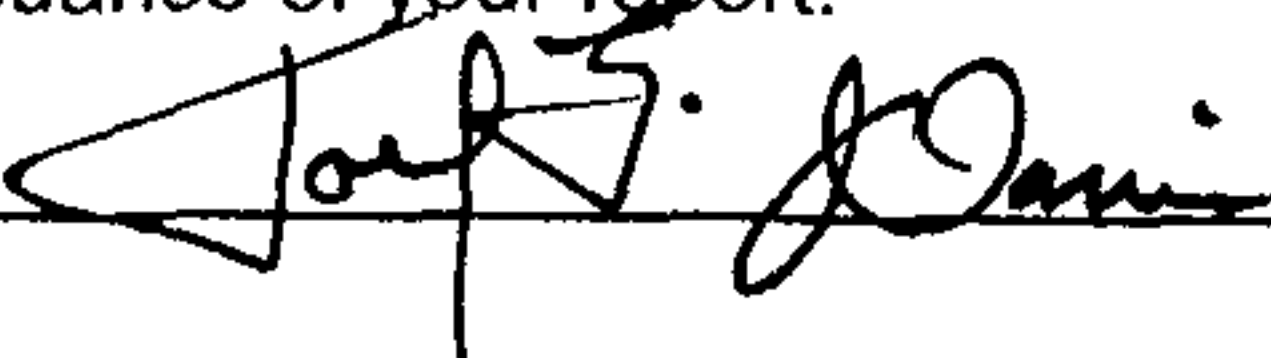
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



District
Judge

6/17/99

Date

THIRTY-THIRD JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

SUMMARY OF PRIOR YEAR FINDINGS

December 31, 1998

There were no prior year findings.