

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**COMPONENT UNIT FINANCIAL REPORT****YEAR ENDED DECEMBER 31, 2003**

Under provisions of statute, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Salem Finance office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-04

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Latuso, Inc. (APAC)

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23rd Judicial District Judicial Expense Fund

Bossieret, Louisiana

INDEPENDENT AUDITORS' REPORT

I have audited the accompanying basic financial statement of 23rd Judicial District Judicial Expense Fund, a component unit of the Parish of Assumption, as of and for the year ended December 31, 2003 as listed in the table of contents. These financial statements are the responsibility of the 23rd Judicial District Judicial Expense Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. These standards require that I plan and perform the audit to obtain a 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the 23rd Judicial District Judicial Expense Fund, as of December 31, 2003 and the results of its operations for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated May 26, 2004, on our consideration of 23rd Judicial Expense Fund's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

As described in Note 1 to the basic financial statements, the 23rd Judicial Expense Fund adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2003. This results in a change in the 23rd Judicial Expense Fund's form and content of the basic financial statements.

Management's Discussion and Analysis and the other required supplementary information on pages 5 - 7 and 21 - 22, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express an opinion on it.

Very truly,

Latuso, Inc

May 20, 2004

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
818 - 302 SOUTH IRMA BOULEVARD
CONZALEE, LOUISIANA 70037

May 20, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of this section is to offer management's discussion and analysis of The 23rd Judicial District - Judicial Expense Fund's financial performance during the year ended December 31, 2003. It should be read in conjunction with the financial report taken as a whole.

Overview of the Financial Statements

The accompanying financial statements include the activities of 23rd Judicial District - Judicial Expense Fund (General Fund) and the Ascension Parish Families in Need of Services (Special Revenue Fund).

The Expense Fund was established for the purpose of paying expenses for the Court deemed necessary by the Judges for efficient operations of the court.

The Ascension Parish Families in Need of Services was established for the purpose of ensuring that all families who have been determined as Families in Need of Services as defined by the Children's Code of Louisiana, should have qualified case management and supervision in home and secure services, to assist and support in crisis and transition, and to prevent any child of the family from entering into state's custody.

There are two types of financial statements that each present a different view of the Expense Fund as follows:

1. The government-wide financial statements, beginning on page 9 present financial information for all activities of the Expense Fund from an economic resources measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Expense Fund's overall financial status.
2. Fund financial statements, beginning on page 11, present information on the individual funds of the Expense Fund allowing for more details. The measurement focus and basis of accounting used to prepare these statements is dependent on the fund type.

Management Discussion and Analysis

Page 2

Governmental Activities

The Judicial Expense Fund's operations are funded primarily from court fees collected by the Clerk of Courts and Sheriffs in a three parish area in accordance with L.A. RS 13:996.34. Fees collected by the General Fund in 2003 and 2002 were as follows:

	2003	2002
Assumption Parish:		
Clerk of Court	\$ 51,310	\$ 51,581
Sheriff	34,058	37,433
City of Donaldsonville	3,570	4,145
Assumption Parish:		
Clerk of Court	9,810	9,043
Sheriff	18,835	18,605
St. James Parish:		
Clerk of Court	5,800	7,398
Sheriff	<u>12,040</u>	<u>11,858</u>
	<u>\$138,433</u>	<u>\$140,530</u>

The following schedule presents a summary of the General Fund's revenues and expenditures for 2003 and 2002 with the amount and percentage increase or decrease:

	2003	2002	INCREASE (DECREASE)	%
Fees collected	\$ 138,433	\$140,530	\$(2,098)	(1.5)
Interest	8,232	8,364	(132)	(2.0)
Operating expenditures	(124,202)	(98,977)	25,225	25.5
Capital outlay	<u>(13,013)</u>	<u>(2,470)</u>	<u>10,543</u>	<u>426.8</u>
Revenues over expenses	<u>\$ 9,380</u>	<u>\$ 47,478</u>	<u>\$38,098</u>	<u>(80.3) %</u>

Management Discussion and Analysis

Page 3

The operations of the Assumption Parish Families in Need of Services are funded primarily from a grant from the State of Louisiana Judicial Branch. The grant is shared with a similar program in Assumption and St. James Parishes.

The following schedule presents a summary of the Special Revenue Fund's revenues and expenditures for the 2002 and 2001, with the amount and percentage increase or decrease:

	2002	2001	INCREASE (DECREASE)	%
State of Louisiana	\$40,900	\$40,900	\$ -	-
Federal Grant	4,448	868	3,580	412.4
Allocation to other Parishes	(20,450)	(20,450)	-	-
Operating expenditures	(21,681)	(20,300)	1,377	67.8
Capital outlay	(2,284)	(1,897)	387	20.5
Expenditures over Revenues	\$11,485	\$1,689	\$9,796	75.2%

Contacting the Judicial Expense Financial Management

This financial report is designed to provide the citizens and taxpayers with a general overview of the 20th Judicial District - Judicial Expense Fund finances and show the accountability for the money it receives. If you have any further questions about the report, or need additional information, contact the Judicial Administration Office at 828-300 South Irena Boulevard, Gonzales, LA, 70337, (225)621-8500.


Irma LaBlanc,
Judicial Administration

Basic Financial Statements

198D JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

STATEMENT OF NET ASSETS

DECEMBER 31, 2005

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current assets:	
Cash, including time deposits	\$614,431
Receivable from other governments	<u>17,884</u>
Total Current Assets	632,315
NONCURRENT ASSETS	
Capital assets, net of depreciation	<u>32,071</u>
Total Assets	664,386
LIABILITIES	
Current liabilities:	
Accounts payable	17,033
Due to other governments	<u>18,438</u>
Total Current Liabilities	35,471
NET ASSETS	
Invested in capital assets	32,071
Unrestricted	<u>598,814</u>
Total Net Assets	<u>632,885</u>

See accompanying notes to the basic financial statements.

1993 JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2003

	EXPENSE	FUND	OPERATING GRANTS	NET REVENUE EXPENSE
FUNCTIONS AND PROGRAMS				
Governmental activities:				
Court fees	\$137,385	\$138,433	\$ -	\$ 1,168
Families in Need of Service	<u>46,466</u>	<u>-</u>	<u>45,348</u>	<u>(1,140)</u>
Total governmental activities	\$183,851	\$138,433	\$45,348	\$-
GENERAL REVENUES				
Interest				<u>8,232</u>
Total general revenues				<u>8,232</u>
Change in net assets				8,242
Net assets - beginning of year				<u>\$19,643</u>
Net assets - end of year				<u>\$27,885</u>

See accompanying notes to the basic financial statements.

2800 JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 1993

	<u>GENERAL</u>	<u>SPECIAL REVENUE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash, including time deposits	\$76,349	\$8,183	\$84,531
Receivable from other governments	<u>11,000</u>	<u>6,884</u>	<u>17,884</u>
Total assets and other debits	<u>\$87,349</u>	<u>\$15,066</u>	<u>\$102,415</u>
LIABILITIES			
Accounts payable	\$ 16,651	\$ 421	\$ 17,072
Other governments	<u>-</u>	<u>19,428</u>	<u>19,428</u>
Total liabilities	<u>16,651</u>	<u>19,849</u>	<u>36,500</u>
FUND BALANCES			
Unreserved, reported in:			
General fund	570,997	-	570,997
Special revenue fund	<u>-</u>	<u>25,217</u>	<u>25,217</u>
Total fund balances	<u>570,997</u>	<u>25,217</u>	<u>596,214</u>
Total liabilities and fund balances	<u>\$87,349</u>	<u>\$45,066</u>	<u>\$132,415</u>

See accompanying notes to the basic financial statements.

33RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2005

Total governmental fund balances	1995,814
Amounts reported for governmental activities in the Statements of Net Assets are different because capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>32,071</u>
Net assets of governmental activities	<u>2027,885</u>

See accompanying notes to the basic financial statements.

3RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2003

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE ACTUAL</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:			
Court fees	\$ 138,433	\$ -	\$138,433
State grant	-	45,348	45,348
Interest	<u>8,722</u>	<u>-</u>	<u>8,722</u>
Total revenues	146,635	45,348	192,003
EXPENDITURES:			
Current operations	124,152	44,132	168,384
Capital expenditures	<u>13,015</u>	<u>2,364</u>	<u>15,379</u>
Total expenditures	137,167	46,496	183,763
NET CHANGE IN FUND BALANCE	9,390	(1,148)	8,242
FUND BALANCES,			
beginning of year	<u>361,377</u>	<u>26,368</u>	<u>387,572</u>
FUND BALANCE, end of year	<u>\$370,927</u>	<u>\$25,220</u>	<u>\$396,147</u>

See accompanying notes to the basic financial statements.

**3RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDING DECEMBER 31, 2000**

Net change in Fund Balance - total governmental funds 8,242

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlay exceeded depreciation
in current period. 4,614

Change in net assets of governmental activities 33,856

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 23rd Judicial Expense Fund complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Account Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent sections of this note. For the year ended December 31, 2003, the Judicial Expense Fund has adopted the new financial reporting requirements of GASB statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

FINANCIAL REPORTING ENTITY

The 23rd Judicial District Judicial Expense Fund was established in 1995 under Act No. 435 which was an amendment to Title 13 of the Louisiana Revised Statutes of 1950. The Expense Fund was established for the purpose of paying expenses for the court deemed necessary by the Judges for efficient operations of the court.

The Ascension Parish Families in Need of Services was established for the purpose of ensuring that all families who have been determined as Families in Need of Services as defined by the Children's Code of Louisiana, should have qualified case management and supervision to locate and secure services, to assist and support in crisis and transition, and to prevent any child of the family from entering into state's custody.

As the governing authority, the Parish of Ascension (Parish) is the financial reporting entity for the Parish. In compliance with the provisions of GASB No. 14, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government (Parish), and includes all component units of which the Parish appoints a voting majority of the entire board; the Parish is either able to impose its will on the unit or a financial benefit or burden relationship exists.

The Judicial Expense Fund is part of the operations of the district court system that is fiscally dependent on the Parish. The Parish provides directly to the court office space, classrooms, personal services, and other supplies and services. The nature of the relationship between the Judicial Expense Fund and the district court and the Parish is significant. Therefore, the Judicial Expense Fund was determined to be a component unit of the Parish of Ascension, the financial reporting entity.

13RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The accompanying financial statements present information only on the Judicial Expense Fund and do not present any other information on the District Court, or the Parish, the general government services provided by the governmental unit, or on the other governmental units that comprise the financial reporting entity.

BASIS OF PRESENTATION

In June, 1999, the GASS unanimously approved State No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD & A) section providing an analysis of the Judicial Expense Fund's overall financial position and results of operations and financial statements prepared using full accrual accounting for all the Judicial Expense Fund's activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Judicial Expense Fund has elected to implement the general provisions of the Statement in the current year. The capital assets acquired prior to January 1, 2003 is retroactively reported.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements - The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements - The financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Only the governmental fund type is used by the Judicial Expense Fund. The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The funds of the Judicial Expense Fund are described as follows:

3RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

1. The General Fund - to account for all financial resources except those required to be accounted for in another fund.
2. Special Revenue Funds - to account for the proceeds of specific revenue sources (Assessing Parish Families in Need of Services) that are legally restricted to expenditure for specified purposes.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The governmental-wide financial statements are prepared using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

Basis of Accounting - The governmental-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchanges and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means the amount of the transaction can be determined, and available means collectible within the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

LEED JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

FINANCIAL STATEMENT ADJUSTMENTS

Cash and Cash Equivalents - "Cash, including time deposits" includes all demand deposits, savings accounts and certificates of deposit of the Judicial Expense Fund.

RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. There is no allowance for uncollectible accounts receivable since all receivables are considered collectible. Major receivable balances for governmental activities include amounts due from Clerk of Courts and Sheriffs. Receivables are included in the fund financial statements if they are both measurable and available. Interest earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

CAPITAL ASSETS

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	YEARS
Office Furniture and Equipment	5 - 7
Building Improvements	7

In the fund financial statements, fixed assets are accounted for as capital-outlay expenditures of the fund upon acquisition. Capital assets reported herein include only those assets purchased by the Judicial Expense Fund and do not reflect assets of the court obtained from other sources.

REVENUES

Substantially all government fund revenues are accrued. These revenues include court filing fees collected by other agencies and remitted to the Judicial Expense Fund in the following month, as well as, amounts due under grant contracts and interest. As a grant recipient, grant receivables, and revenue are recognized when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as deferred revenue.

25RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

EXPENDITURES

Expenditures are recognized when the related fund liability is incurred.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates 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 expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 2003, the Judicial Expense Fund had cash (bank balances) as follows:

Non-interest bearing demand deposit	\$ 38,182
Interest bearing demand deposits	329,773
Time deposits (certificates of deposit)	<u>266,676</u>
	634,631

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities-owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Judicial Expense Fund has \$634,631 in deposits (collected bank balances). These deposits are secured from risk by \$394,460 of federal deposit insurance and \$234,945 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 5).

3RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 3 - RECEIVABLES FROM OTHER GOVERNMENTS

Accounts receivable of the governmental activities consist mostly of amounts due from the Clerk of Courts and Sheriffs for filing fees and grants from the State of Louisiana. Detail of the receivables at June 30, 2003 is as follows:

Clerk of Courts	\$10,082
Cost reimbursement	915
Grant from State of Louisiana	<u>6,884</u>
	<u>\$17,881</u>

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 is as follows:

	BALANCE 12-31-02	ADDITIONS	DEPRECIATION	BALANCE 12-31-03
Office furniture and equipment at historical cost	\$54,244	\$13,377	\$ -	\$69,621
Building improvements at historical cost	<u>6,681</u>	<u>-</u>	<u>-</u>	<u>6,681</u>
	60,925	13,377	-	76,302
Less accumulated depreciation	<u>33,468</u>	<u>18,783</u>	<u>-</u>	<u>44,251</u>
Capital assets, net	<u>\$27,457</u>	<u>\$4,604</u>	<u>\$ -</u>	<u>\$32,061</u>

Depreciation expense charged to governmental activities was \$18,783.

NOTE 5 - FEDERAL AWARDS

During the year ended December 31, 2003, the Special Revenue Fund had \$4,468 in revenues under the Federal program titled Family Strengthening Project ID #06-5-006. The program was administered by the State of Louisiana.

3RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND

YEAR ENDED DECEMBER 31, 2003

	BUDGET	ACTUAL ACCOUNT BUDGETARY BASED SEE NOTE A	VARIANCE WITH FUND BUDGET - POSITIVE INDICATED
Budgetary Fund Balance			
Beginning of year	526,365	526,365	\$ -
Resources - Inflows			
Transfer from other government	43,348	43,348	-
Amount available for appropriation	71,713	71,713	-
Charges to Appropriations - Outflows			
Travel and seminars	8,344	4,781	(237)
Supplies	6,676	7,692	(1,316)
Contract service	3,783	3,721	62
Repairs and maintenance	971	700	271
Postage	629	524	105
Telephone	716	696	(200)
Dues and subscriptions	340	344	(4)
Professional fees	200	343	(343)
Other	650	681	31
Capital outlay	1,824	2,364	(540)
Transfer to other parties	20,450	20,450	-
Total charges to appropriations	48,683	65,826	17,143
Budgetary Fund Balance			
end of year	527,038	525,212	1,826

3RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
DECEMBER 31, 2003

As Budgetary Accounting and Control

Budget Law

The Judicial Expense Fund did not prepare a budget for the General Fund for the year ended December 31, 2003. For additional comments regarding the annual budget see page 26.

The Special Revenue Fund's annual operating budget is prepared according to the provisions of the Louisiana Municipal Budget Act. In accordance with these provisions, the following procedures are used in adopting the annual budget for the Fund:

1. The director of the Family in Need of Services program prepared a proposed budget and submitted same to the Chief Judge and to Judge Holdridge at the beginning of the year covering the twelve month period beginning June 30, 2004.
2. After all action necessary to finalize and implement the budget, the budget is submitted and informally approved by the Louisiana Supreme Court.
3. Budgetary amendments generally are not made during the year, except for grant revenues and resulting expenditures.
4. All budgetary appropriations lapse at the end of each fiscal year.

Budgetary Accounting

For presentation purposes, the budget, excluding the Family Strengthening Program, for the period ending June 30, 2004 and 2003 are averaged and presented as a twelve month period ending December 31, 2003. The budget for the Family Strengthening Program for the period January 1, 2003 to September 30, 2003 is added to the twelve month average budget.

The budget is prepared using the modified accrual basis of accounting.

Latuso, Inc. (APAC)

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23rd Judicial District Judicial Expense Fund
Goussier, Louisiana

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL ACCOUNTING CONTROLS

I have audited the component unit financial statements of the 23rd Judicial District Judicial Expense Fund, for the year ended December 31, 2003 and have issued my report thereon dated May 20, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 23rd Judicial District Judicial Expense Fund's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings at item 64-1 to 64-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the 23rd Judicial District Judicial Expense Fund's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

2nd Judicial District Judicial Expense Fund

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This report is intended solely for the information and use of the Judges and Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Luteso, Jr

May 28, 2004

THIRD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDING
FOR THE YEAR ENDED DECEMBER 31, 2003

PRIOR FINDING 89-1:

The results of my tests disclosed that the Judicial Expense Fund paid dental insurance premiums on behalf of the Judges and their spouses. An opinion from the Attorney General's office in other support was not obtained. In the opinion of the Judges', the benefit is allowed by LA RS 13:691B(3). The dental insurance premiums are being paid at the same rate as that paid for the Judges of the First Circuit, Court of Appeal.

During 2003, the coverage was expanded to include dependents.

Action taken LA RS 13:691 allows judges to receive insurance benefits with contributions being in accordance with the rates of State employees. LA R.S. 73:851 outlines State contributions and paragraph 3 states that nothing herein shall be construed to prohibit the State from providing contributions at a higher level. The judges believe this allows payment of the dental premiums through the Expense Fund, but they have requested an Attorney General's opinion out of an abundance of caution.

3RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

AUDIT FINDING AND RESPONSE

FOR THE YEAR ENDING DECEMBER 31, 2003

COMPLIANCE MATTERS

FINDING 04-1:

The results of my test disclosed that several expenditures were made to individuals as a reimbursement for equipment and supplies purchased on behalf of the Judicial Expense Fund. These reimbursements included sales tax paid, which the Fund is exempt from. In addition, several items were noted as being supported by the credit card statement and not the actual supporting invoices.

Recommendation: Purchases should be centralized to an authorized person. To avoid paying sales taxes, purchases should be processed using established credit accounts in the name of the Fund.

Judges Response: The Judges concur that all major purchases will be processed by the Administrator. Some small supply purchases will be made by the individual judges on their account.

FINDING 04-2:

The results of our test disclosed that the Judicial Expense Fund did not comply with the Louisiana Local Government Budget Act.

Recommendation: All necessary budgets for its year ended December 31, 2004 and thereafter should be prepared and in compliance with the Louisiana Local Government Budget Act.

Judges Response: The Judges concur with this recommendation.