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TRINITY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
St. Charles Parish, Louisiana

Annual Financial Report

Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and/or their appropriate subdivisions. The reports available for public inspection at the Main Court 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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**TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

St. Charles Parish, Louisiana

Management's Discussion and Analysis

Within this section of the annual financial report of the Judicial Clerk's Fund of the Twenty - Ninth Judicial District of St. Charles Parish, the Judicial Clerk's Fund's management provides this narrative discussion and analysis of the financial activities of the Judicial Clerk's Fund for the year ended December 31, 2003. The Judicial Clerk's Fund's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Judicial Clerk's Fund's assets exceeded it's liabilities by \$389,620 (net assets) for the year reported.

Total net assets are comprised of the following:

- Capital assets of \$16,470 include property and equipment, net of accumulated depreciation.
- Unrestricted net assets of \$373,150 represent the portion available to maintain the Judicial Clerk's Fund continuing obligations to citizens and creditors.

The Judicial Clerk's Fund's General Fund reported total ending unreserved/undesignated fund balance of \$335,480 this year. This compares to the prior year ending unreserved/undesignated fund balance of \$394,070 showing a decrease of \$48,590 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Judicial Clerk's Fund's basic financial statements. The basic financial statements include: (1) government - wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Judicial Clerk's Fund also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2004.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis

GOVERNMENT - WIDE FINANCIAL STATEMENTS

The Judicial Clerk's Fund's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Judicial Clerk's Fund's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Judicial Clerk's Fund's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Judicial Clerk's Fund as a whole is improving or deteriorating. Evaluation of the overall health of the Judicial Clerk's Fund would extend to other nonfinancial factors in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Judicial Clerk's Fund's net assets changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Judicial Clerk's Fund's distinct activities or functions on revenues provided by the Parish and the State of Louisiana.

The government-wide financial statements present governmental activities of the Judicial Clerk's Fund that are principally supported by intergovernmental revenues. The sole purpose of these governmental activities is judicial.

The government-wide financial statements are presented on pages 10 and 11 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Judicial Clerk's Fund uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Judicial Clerk's Fund's most significant funds rather than the Judicial Clerk's Fund as a whole.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

St. Charles Parish, Louisiana

Management's Discussion and Analysis

The Judicial Clerk's Fund has only governmental funds.

Governmental funds are reported in the fund financial statements and encompasses the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Judicial Clerk's Fund's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 12 - 16 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 18 of this report.

FINANCIAL ANALYSIS OF THE JUDICIAL CLERK'S FUND AS A WHOLE

The Judicial Clerk's Fund implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Judicial Clerk's Fund as a whole.

TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis

The Judicial Clerk's Fund's net assets at year-end are \$288,523. The following table provides a summary of the Judicial Clerk's Fund's net assets:

Summary of Net Assets

	<u>Governmental</u> <u>Activities</u>
Assets:	
Current assets	\$ 178,884
Capital assets	<u>109,639</u>
Total assets	<u>288,523</u>
Liabilities:	
Current liabilities	3,914
Long-term liabilities	<u>0</u>
Total liabilities	<u>3,914</u>
Net assets:	
Investment in capital assets	16,418
Restricted	<u>272,105</u>
Total net assets	\$ <u>288,523</u>

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years.

**TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

St. Charles Parish, Louisiana

Management's Discussion and Analysis

The following table provides a summary of the Judicial Clerk's fund changes in net assets:

Summary of Changes in Net assets

	<u>Governmental Activities</u>
Revenues:	
Program:	
Fees and Fines	\$ 264,818
Operating grants	346,618
General:	
Interest	<u>1,527</u>
Total revenues	612,963
Program expenses:	
Judicial	616,868
Miscellaneous	<u>1,527</u>
Total expenses	618,395
Change in net assets (Decrease)	(45,432)
Beginning net assets	657,395
Ending net assets	\$ 611,963

GOVERNMENTAL REVENUES

The Judicial Clerk's Fund is reliant on operating grants from St. Charles Parish and the State of Louisiana to support it's operations. Unlike many other agencies, the Judicial Clerk's Fund receives no property tax or sales tax revenue. The Judicial Clerk's Fund's financial position has enabled it to earn \$1,527 in interest to support governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The total governmental function of the Judicial Clerk's Fund's office is judicial activities. Of the total costs, depreciation on the equipment was \$9,171.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

St. Charles Parish, Louisiana

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE JUDICIAL CLERK'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds had an ending fund balance of \$273,151, all of which is unreserved and undesignated indicating availability for continuing the Judicial Clerk's Fund's activities.

CAPITAL ASSETS

The Judicial Clerk's Fund's investment in capital assets, net of accumulated depreciation as of December 31, 2003, was \$10,470. (See Note 6 of the notes to the financial statements for additional information about changes in capital assets during the current year.)

**CONTACTING THE TWENTY-NINTH JUDICIAL DISTRICT JUDICIAL CLERK'S FUND
FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Judicial Clerk's Fund finances, comply with finance-related laws and regulations, and demonstrate the judges' commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Emile R. St. Pierre, Chief Judge of the Twenty-Ninth Judicial District, P. O. Box 424, 18048 River Road, Hahnville, LA 70057. Phone (985) 783-3208

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INDEPENDENT AUDITOR'S REPORT

To The Judges
Twenty-Ninth Judicial District
Judicial Clerk's Fund
Hahnville, Louisiana

We have audited the accompanying basic financial statements of the Twenty-Ninth Judicial District Judicial Clerk's Fund, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the management of the Twenty-Ninth Judicial District Judicial Clerk's Fund. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Twenty-Ninth Judicial District Judicial Clerk's Fund as of December 31, 2003, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the Twenty-Ninth Judicial District Judicial Clerk's Fund implemented a new financial reporting model, as required by the provision of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2003. The management's discussion and analysis information on pages 2 through 7 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report, dated June 20, 2004, on our consideration of the Twenty-Ninth Judicial District Judicial Clerk's Fund internal control over financial reporting and our test 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 our audit.

Dee, Butler, Andrews + Bowen

Harris, Louisiana

June 20, 2004

GOVERNMENT - WIDE FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT
 JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Statement of Net Assets
 Year Ended December 31, 2003

Assets	Governmental Activities
Current Assets	
Cash and cash equivalents	\$ 350,830
Receivables from other governments	<u>18,720</u>
Total current assets	370,554
Noncurrent Assets	
Capital assets, net of depreciation	<u>16,470</u>
Total assets	<u>387,024</u>
Liabilities	
Current Liabilities	
Accounts payable	<u>2,414</u>
Total liabilities	<u>2,414</u>
Net Assets	
Invested in capital assets	16,470
Unrestricted	<u>373,150</u>
Total net assets	\$ <u>389,620</u>

The accompanying notes are an integral part of these basic financial statements.

TWENTY - NINTH JUDICIAL DISTRICT
 JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Statement of Activities
 Year Ended December 31, 2000

Functions and Programs	Expenses	Program Revenues		Net Revenue (Costs)
		Fees and Fines	Operating Grants and Contributions	
Governmental Activities				
Judicial Court	\$ 440,888	244,818	146,032	\$ (190,038)
<u>Total governmental activities</u>	<u>440,888</u>	<u>244,818</u>	<u>146,032</u>	<u>(190,038)</u>
General Revenues				
Interest				<u>1,827</u>
Total general revenues				<u>1,827</u>
Change in net assets				147,803
Net assets - beginning of year				437,813
Net assets - end of year				\$ 585,616

The accompanying notes are an integral part of these basic statements.

FUND FINANCIAL STATEMENTS

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

St. Charles Parish, Louisiana

Balance Sheet
Governmental Funds
December 31, 2000

		<u>Social Revenue Funds</u>		
	<u>General</u>	<u>Families</u>	<u>Adult</u>	<u>Total</u>
	<u>Fund</u>	<u>In Need Of</u>	<u>Drug Court</u>	<u>(Memo</u>
		<u>Services</u>	<u>Program</u>	<u>Only)</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 328,203	21,001	7,542	\$ 356,746
Receivables from other governments	7,167	-	11,542	18,709
Total assets	<u>335,370</u>	<u>21,001</u>	<u>19,084</u>	<u>375,455</u>
Liabilities				
Accounts payable	-	-	2,414	2,414
Total liabilities	<u>-</u>	<u>-</u>	<u>2,414</u>	<u>2,414</u>
Fund Balances				
Unreserved, reported in general fund	335,483	21,001	16,670	373,154
Total liabilities and fund balances	<u>\$ 335,483</u>	<u>21,001</u>	<u>19,084</u>	<u>\$ 375,568</u>

The accompanying notes are an integral part of these basic statements.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERKS FUND

St. Charles Parish, Louisiana

Reconciliation of Total Governmental Fund Balance
to Net Assets of Governmental Activities
December 31, 2000

Total governmental fund balances	\$ 373,151
Amounts reported for governmental activities in the Statement 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>15,489</u>
<u>Net assets of governmental activities</u>	<u>\$ 388,640</u>

The accompanying notes are an integral part of these basic statements.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

St. Charles Parish, Louisiana

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
Year Ended December 31, 2005**

REVENUES	General Fund	Special Revenue Funds		Total (Memo Only)
		Parishes in Need of Services Program	Drug Court Program	
Criminal	\$ 185,808	\$ -	\$ -	\$ 185,808
Civil	25,005	-	-	25,005
Interest	1,478	38	31	1,547
Other Income	24,180	-	-	24,180
Drug Court Federal Grant	-	-	48,818	48,818
Drug Court State Grant	-	-	85,880	85,880
FINE Grant	-	28,152	-	28,152
TOTAL REVENUES	246,291	28,152	137,828	382,471
EXPENDITURES				
Administrative Services	8,300	1,720	-	10,020
Computer Expense	7,711	-	-	7,711
Conferences	5,781	55	3,317	9,153
Costs & Publication	4,860	915	108	5,883
Office Supplies	11,825	-	160	11,985
Personal Services & Benefits	68,288	-	33,817	102,105
Professional Services	182,214	28,788	38,788	249,790
Insurance	2,280	-	238	2,518
Staff & Jury Lunches	1,190	720	-	1,910
Travel Expense	23,885	-	8,580	32,465
Telephone	3,227	-	340	3,567
Uniforms	88	-	-	88
Capital Expenditures	8,871	-	-	8,871
TAMP Federal Expenses	-	-	48,285	48,285
TOTAL EXPENDITURES	266,028	32,484	108,788	387,299
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(49,737)	(4,332)	8,781	(44,292)
OTHER FINANCING SOURCES (USES)	1,152	-	(1,458)	(306)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(48,585)	(4,332)	7,323	(44,594)
FUND BALANCE, JANUARY 1	386,078	24,322	9,321	419,721
FUND BALANCE, DECEMBER 31	\$ 337,493	\$ 20,000	\$ 16,644	\$ 374,137

The accompanying notes are an integral part of these basic statements.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2008

Net Change in Fund Balance - total governmental funds	\$ (44,200)
Amounts reported for the 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 these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	<u>7,600</u>
<u>Changes in net assets of governmental activities</u>	<u>\$ (47,800)</u>

The accompanying notes are an integral part of these basic statements.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements

Introduction

As provided by and in accordance with Louisiana Revised Statute 13:295, 13-15, the Twenty-Ninth Judicial District Judicial Clerk's Fund was established in 1985. It is a part of the operation of the district court system, and was established for the purpose of paying for the judicial and courtroom expenses necessary for the efficient operation of the court. In addition to these expenses, the Judicial Clerk's Fund oversees the operation of the Drug Court Program, and the Families in Need of Services Program (F.I.N.S.). The Drug Court and F.I.N.S. Programs operate as authorized by the legislature and receive funding primarily from federal and state grants.

1) Summary of Significant Accounting Policies

A.) Reporting Entity

For financial reporting purposes, the Twenty - Ninth Judicial District Judicial Clerk's Fund is considered its own separate financial reporting entity. All funds, activities, etc., controlled by the fund as an independently established entity are included as a part of this financial reporting body. There are no other component units. The judges of the Twenty - Ninth Judicial District Judicial Clerk's Fund are solely responsible for the operations of the fund with authority and responsibility for all operations, deficits, and the receipt and disbursement of monies. Accordingly, other units of the local government such as the Parish Council are considered separate reporting entities and issue financial statements separate from those of the Twenty - Ninth Judicial District Judicial Clerk's Fund.

B.) Basis of Presentation

The accompanying basic financial statements of the Judicial Clerk's Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

Government-Wide Financial Statements (GWFS)

The Judicial Clerk's Fund's basic financial statements include both government-wide (reporting the Judicial Clerk's Fund as a whole) and fund financial statements (reporting the Judicial Clerk's major funds). All of the Judicial Clerk's Funds/judicial and administrative services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and liabilities as well as long-term debt and obligations. The Judicial Clerk's Funds net assets are reported in two parts - invested in capital assets and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Judicial Clerk's Fund functions and activities (judicial). These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (judicial). Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the Judicial Clerk's Fund as an entity and the change in the Judicial Clerk's Funds net assets resulting from the current year's activities.

Fund Financial Statements (FFS)

The Judicial Clerk's Fund uses funds to maintain it's financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Judicial Clerk's Fund encompasses only Governmental Funds, which are described below.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

Governmental

General Fund - The General Fund of the Judicial Clerk's Fund is used to account for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended in accordance with state and federal laws and according to Judicial Clerk's Fund policy.

Special Revenue Funds - The purpose of a Special Revenue Fund is to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Drug Court Fund - The Drug Court Fund is a Special Revenue fund and accounts for the operation of the drug court, has one program director, and pays for drug prevention and treatment programs as directed by the court. The fund receives revenue from a grant from the Louisiana Law Enforcement Commission and a Federal grant from the Temporary Assistance for Needy Families program (T.A.N.F.).

F.I.N.S. Fund - The F.I.N.S. Fund is also a Special Revenue Fund and accounts for the operation of the Families in Need of Services Program. Funding is provided primarily by a state grant and is administered also by the court.

C.) Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

Governmental Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. 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 pay liabilities of the current period. The Judicial Clerk's Fund considers all revenues available if they are collected within 90 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Fees are recorded in the month in which they are collected by the Clerk of Court and Sheriff of St. Charles Parish.

Federal and State grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Interest earnings on time deposits are recorded when the time deposits are mature and the interest is available.

Expenditures

The Judicial Clerk's Fund's primary expenditures are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D.) Budgets

Under current law the Twenty - Ninth Judicial District Judicial Clerk's Fund does not require budgetary accounting and encumbrances are not utilized.

TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

E.) Cash and cash equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Judicial Clerk's Fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits in state banks, organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

F.) Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2905 and the Judicial Clerk's Fund investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

G.) Capital Assets

In the government-wide financial statements capital assets purchased or acquired are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Contributed assets are recorded at fair market value at the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight-line depreciation is used based on the following estimated useful lives:

- | | |
|--------------------------|---------|
| • Furniture and fixtures | 7 years |
| • Computer equipment | 5 years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the fund upon acquisition.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

H) Estimates

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

2) Changes in Accounting Principles

For the year ended December 31, 2003, the Judicial Clerk's Fund has implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the Judicial Clerk's Fund's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Judicial Clerk's Fund also implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, No. 37, *Basic Governments: Omnibus*, No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governments' Fund Financial Statements*. At December 31, 2003, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

The implementation of GASB Statement No. 33 caused the beginning fund balance for the year ended December 31, 2003 to be restated in terms of ("net assets") as follows:

Total fund balances - governmental funds at December 31, 2002	\$ 407,190
Add: Cumulative effect of addition of Capital assets less depreciation	<u>18,310</u>
Net assets at December 31, 2003	\$ <u>425,500</u>

TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

3) Cash and Cash Equivalents

At December 31, 2003, the Judicial Clerk's Fund had cash totaling \$358,608 (book balances) invested in demand deposit accounts at various local banks. 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 the pledged securities plus the federal deposit insurance must at all times equal the amount of 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 Clerk's Fund had \$361,608 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance, and pledged securities held by the custodial bank in the name of the fiscal agent (GASB Category 3).

4) Investments

Investments are categorized into these three categories of risk:

- 1) Insured or registered, or securities held by the Judicial Clerk's Fund or its agent in the Judicial Clerk's Fund's name.
- 2) Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent in the Judicial Clerk's Fund's name.
- 3) Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the Judicial Clerk's Fund's name.

Even though the deposits covered by pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 33:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Judicial Clerk's Fund that the fiscal agent has failed to pay deposited funds upon demand.

5) Receivables From Other Governments

Accrued receivables consist of amounts owed for fees and grants at the end of the current period but not remitted until the subsequent period.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

6) Capital Assets

Capital assets and depreciation activity for the governmental activities as of and for the year ended December 31, 2003 are as follows:

	Balance 01-01-03	Additions	Deletions	Balance 12-31-03
Furniture, Fixtures and Equipment:	\$ 260,216	\$ 5,871	\$ (198,248)	\$ 68,840
Less: Accumulated Depreciation	(228,228)	(8,171)	189,328	(48,071)
CAPITAL ASSETS, NET	\$ 33,988	\$ (2,300)	\$ 9,080	\$ 40,698

7) Accounts Payable

Accounts payable represent expenses incurred during the current period for the drug court, but not paid until the subsequent period.

8) Pension Plan and Compensated Absences

The Judicial Clerk's Fund has no employees. Therefore, it does not participate in any pension plan and has no leave policy regarding compensated absences. The drug court program reimburses the District Attorney's office for its director, who is an employee of the District Attorney's office.

9) Leases

The Judicial Clerk's fund did not have any capital or operating lease commitments as of and for the year ended December 31, 2003.

10) Related Party Transactions

During 2003 the Twenty - Ninth Judicial District Judicial Clerk's Fund paid compensation to a related party who was hired prior to December 31, 1999. This compensation totaled \$18,160 in 2003.

According to the provisions of subsection B(4) of Canon 3 of the Code of Judicial Conduct, any employee of a court employed by such court on or before December 31, 1990, or any employee of a court who becomes a member of a judge's immediate family subsequent to employment shall not be prohibited from continued employment with the court.

TWENTY - NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

11) Litigation and Claims

The Judicial Clerk's Fund is not involved in any litigation and is not aware of any claims outstanding that are not recorded in the financial statements.

12) On Behalf Payments

The Judicial Clerk's Fund utilizes office space in the parish courthouse provided by St. Charles Parish at no cost to the Judicial Clerk's Fund. These on behalf payments have not been recognized in these financial statements for 2003.

SUPPLEMENTAL INFORMATION

TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL EXPENSE FUND

St. Charles Parish, Louisiana

Schedule of Expenditures of Federal Awards
for the Year Ended December 31, 2003

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>OFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
PASS-THROUGH PROGRAMS			
U.S. DEPT. OF HEALTH AND HUMAN SERVICES			
CRUIS COURT PROGRAM			
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.508	NA	\$ 40,818

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

To The Judges
Twenty-Ninth Judicial District
Judicial Clerk's Fund
Hattiesville, Louisiana

We have audited the basic financial statements of the Twenty-Ninth Judicial District Judicial Clerk's Fund as of and for the year ended December 31, 2003, and have issued our report thereon dated June 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Twenty-Ninth Judicial District Judicial Clerk's Fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions is not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twenty-Ninth Judicial District Judicial Clerk's Fund 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Judicial Clerk's Fund's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of current and prior year audit findings and corrective action plan.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described in the accompanying schedule is a material weakness.

This report is intended for the information and use of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Harvey, Louisiana

June 20, 2004

THIRTY-NINTH JUDICIAL DISTRICT
 JUDICIAL CLERK'S FUND

St. Charles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings
 and Corrective Action Plan
 Year Ended December 31, 2003

Ref No.	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/03)						
Internal Control						
03-01	Unknown	The Judicial Clerk's Fund does not have adequate segregation of duties within the Accounting Department	N/A	Name: Because of the cost benefit, an unlimited number of personnel in the Accounting Department it is not possible to achieve adequate segregation of duties.	Charles Dubre Clerk of Court	NA
PRIOR YEAR (12/31/02)						
Internal Control						
03-01	Unknown	The Judicial Clerk's Fund does not have adequate segregation of duties within the Accounting Department	NA	Name: Same as above	Charles Dubre Clerk of Court	NA