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TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND
GREYNA, LOUISIANA

AUDITED FINANCIAL STATEMENTS

For Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and other appropriate public officials. This 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 7-28-04

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND**

TABLE OF CONTENTS

December 31, 2003

	PAGE	
INDEPENDENT AUDITORS' REPORT	1-2	
 COMPONENT UNIT FINANCIAL STATEMENTS		
Balance Sheet - Governmental Fund Type	3	
Statement of Revenues, Expenditures, and Changes in Fund Deficit - Governmental Fund Type	4	
Statement of Revenues, Expenditures, and Changes in Fund Deficit - Governmental Fund Type - Budget (Budgetary Basis) and Actual	5	
Notes to Financial Statements	6-8	
 INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		9-10

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Domestic Relations Section Expense Fund of the Twenty-Fourth Judicial District Court, a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2003, as listed in the Table of Contents. These component unit financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Domestic Relations Section Expense Fund of the Twenty-Fourth Judicial District Court, a component unit of Jefferson Parish, Louisiana, as of December 31, 2003, and the results of that Fund's operations for the year then ended in conformity with U. S. generally accepted accounting principles.

To the Judges of the
Twenty-Fourth Judicial District Court
Page 3

In accordance with Government Auditing Standards, we have also issued a report dated May 14, 2004 on our consideration of the Domestic Relations Section Expense Fund of the Twenty-Fourth Judicial District Court's compliance and internal control over financial reporting. 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.

Kathleen LaGrange, L.L.C.

Metairie, Louisiana
May 14, 2004

TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND
 BALANCE SHEET - GOVERNMENTAL FUND TYPE
 December 31, 2003

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$ 41,013
Due from Clerk of Court	<u>3,135</u>
	<u>\$ 44,148</u>
 LIABILITIES AND EQUITY (DEFICIT)	
LIABILITIES	
Due to Parish of Jefferson - General Fund	\$ <u>181,431</u>
Total Liabilities	181,431
 EQUITY (DEFICIT)	
Fund deficit	<u>(138,273)</u>
Total Equity (Deficit)	<u>(138,273)</u>
	<u>\$ 44,148</u>

TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND DEFICIT
 GOVERNMENTAL FUND TYPE
 Year Ended December 31, 2003

	<u>GENERAL FUND</u>
REVENUES	
Clerk of Court - domestic filing fees	\$ 42,035
Domestic support enforcement fees	(29,111)
Case printout fees	<u>148</u>
TOTAL REVENUES	17,072
EXPENDITURES	
Current - general government	
Auditing	5,590
Bad debt expense	293
Bank charges	169
Postage	126
Salaries	<u>181,421</u>
TOTAL EXPENDITURES	188,519
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(171,447)
OTHER FINANCING SOURCES	
Interest	<u>326</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(171,121)
FUND DEFICIT AT BEGINNING OF YEAR	<u>(122,277)</u>
FUND DEFICIT AT END OF YEAR	<u>\$ (138,277)</u>

TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND DEFICIT
 -GOVERNMENTAL FUND-TYPE-BUDGET (BUDGETARY BASIS) AND ACTUAL
 December 31, 2003

	GENERAL FUND				Variance Favorable (Unfavor- able)
	Actual	Adjustment to Budgetary Basis	Actual On Budgetary Basis	Amended Budget	
REVENUES					
Clerk of Court - domestic filing fees	\$ 42,035	\$ 0	\$ 42,035	\$ 43,500	\$ (1,465)
Domestic support enforcement fees	129,113	0	129,113	130,000	(887)
Case pretrial fees	140	0	140	150	(10)
Total Revenues	171,288	0	171,288	173,600	(2,312)
EXPENDITURES					
Current - general government:					
Auditing	5,500	0	5,500	5,500	0
Bad debt expense	395	0	395	100	(295)
Bank charges	168	0	168	300	(132)
Postage	128	0	128	136	(8)
Salaries	181,421	0	181,421	182,689	(1,268)
Total Expenditures	182,512	0	182,510	183,226	716
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,224)	0	(14,222)	(14,626)	(1,404)
OTHER FINANCING SOURCES					
Interest	226	0	226	250	(24)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(15,998)	0	(15,996)	\$ (16,376)	\$ (1,670)
FUND DEFICIT					
AT BEGINNING OF YEAR	(132,372)	0	(132,372)		
FUND DEFICIT AT END OF YEAR	\$ (138,370)	\$ 0	\$ (138,370)		

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND**

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

As provided by Revised Statutes 46:236.5, the Fund was created for the purpose of expediting the process for the establishment and enforcement of support obligations under the jurisdiction of the Twenty-Fourth Judicial District Court Domestic Relations Section.

As required by U. S. generally accepted accounting principles, the financial statements of the reporting entity present the primary government and its component units. The accompanying financial statements present only the Fund which is a component unit of Jefferson Parish, Louisiana (The Primary Government).

The Fund is a component unit of the Parish of Jefferson because it is considered to be fiscally dependent on Jefferson Parish. The significant factors for inclusion are: The Parish of Jefferson is responsible for funding deficits and the Fund serves residents of the Parish of Jefferson.

Fund Accounting

The accounts of the Fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts which are maintained for the purpose of carrying on special activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (continued)

The fund has the following fund type:

- **Governmental Fund - General Fund** - The General Fund is the general operating fund of the Fund. It is used to account for all financial resources.

Basis of Accounting

The modified accrual basis of accounting is used by governmental fund types and agency funds. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities within the current period.

Revenues are considered measurable and available when received by the Clerk of Court or the Sheriff's Office or by the fund within 60 days after the current year ended. Expenditures are generally recorded when the liability is incurred.

Budgetary Accounting

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

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

Encumbrances

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

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION EXPENSE FUND**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual and Sick Leave

Annual and sick leave are not accrued in the Fund, as the amount left unpaid at the end of the calendar year would not be liquidated with expendable available financial resources. Any unpaid portion relating to the Fund as December 31, 2003, was accounted for in the General Long-Term Debt Account Group of the Parish of Jefferson.

NOTE 2 - CASH DEPOSITS

At December 31, 2003, the carrying amount of the Fund's deposits was \$41,013 and the bank balance was \$143,957, of which \$100,000 was covered by federal depository insurance and \$43,957 was collateralized with securities held by the pledging financial institution's agent in the Fund's name.

NOTE 3 - DUE TO PARISH OF JEFFERSON - GENERAL FUND

The 2003 operating budget of the Parish of Jefferson includes the Twenty-Fourth Judicial District Court Domestic Relations Section Expense Fund for 2003. Under the provisions of Ordinance No. 17174 the general fund of the Parish of Jefferson was authorized to advance funds to the Twenty-Fourth Judicial District Court Domestic Relations Section Expense Fund for initial startup and operation. The funds advanced were to be paid back to the Parish of Jefferson general fund over a 10-year period. For the year ended December 31, 2003, the Parish of Jefferson's general fund included in its payroll three employees of the Fund. The total payroll and related expenses incurred by the Parish of Jefferson's general fund under this agreement for the year ended December 31, 2003, was \$181,421 and is reported in the amount shown as Due to Parish of Jefferson-General Fund in the accompanying Balance Sheet - Governmental Fund Type.

NOTE 4 - DEFICIT FUND BALANCE - GENERAL FUND

The deficit fund balance of \$138,273 as of December 31, 2003, is a result of the funds advanced in 2003 by the Parish of Jefferson's general fund, and is reported as a liability in the amount shown as Due to Parish of Jefferson - General Fund in the accompanying Balance Sheet (see Note 3). The Parish of Jefferson is responsible for funding deficits of the Fund.

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements or omissions that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Rushon Lafraige, LLC

Metairie, Louisiana
May 14, 2004