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6. JUNE 2004

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND

Caldwell, Louisiana

REPORT ON FINANCIAL STATEMENTS

As of and For the 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 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 7-28-04

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DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Honorable Allen Kozick, Louisiana State District Judge
Thirty-Fifth Judicial District Court
208 Main Street, Suite 302
Coffey, Louisiana 71413

We have audited the accompanying financial statements of the Thirty-Fifth Judicial District Expense Fund as of and for the year ended December 31, 2003. These financial statements are the responsibility of management of the Thirty-Fifth Judicial District. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the financial transactions of the Expense Fund, administered by the Thirty-Fifth Judicial District Court, a Component Unit of the Grant Parish Police Jury.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2004, on our consideration of the Thirty-Fifth Judicial District Expenses Fund's 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.



Duane Bell & DeBorac, CPAs, APC
Alexandria, Louisiana
June 3, 2004

THIRTY-FIFTH JUDICIAL EXPENSE FUND

Balance Sheet
December 31, 2003

Assets	
Cash	\$ 29,636
Accounts Receivable	<u>10,131</u>
Total Assets	<u>\$ 39,767</u>
 Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 6,483
Accrued Expenses	<u>848</u>
Total Liabilities	<u>7,331</u>
 Fund Balance:	
Unreserved	<u>32,436</u>
Total Fund Balance	<u>32,436</u>
Total Liabilities & Fund Balance	<u>\$ 39,767</u>

The accompanying notes are an integral part of these statements.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2003

Revenues:	
Fees and Fines	\$ 79,319
Other	<u> 65</u>
Total Revenues	<u> 79,384</u>
Expenditures	
Telephone	5,427
Library	10,985
Contract Labor	12,344
Supplies	5,080
Supplemental Salaries	14,284
Seminars, Meetings, & Continuing Education	25,663
Data and Subscriptions	2,188
Professional Fees	4,651
Miscellaneous	<u> 2,612</u>
Total Expenditures	<u> 84,447</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,471)
Fund Balance at Beginning of Year	<u> 12,212</u>
Fund Balance at End of Year	<u><u> 7,741</u></u>

The accompanying notes are an integral part of these statements.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1993

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Fees and Fines	\$ 58,000	\$ 79,313	\$ 21,313
State Funds	5,000	—	(5,000)
Other	<u>1,000</u>	<u>662</u>	<u>(332)</u>
Total Revenue	<u>64,000</u>	<u>79,975</u>	<u>15,975</u>
Expenditures:			
Telephone	8,000	5,427	2,573
Library	15,000	10,983	4,017
Contract Labor	14,000	13,544	456
Supplies	5,000	5,699	(699)
Supplemental Salaries	21,000	4,284	16,716
Seminars, Meetings & Continuing Education	25,000	25,663	(663)
Dues and Subscriptions	—	2,189	(2,189)
Professional Fees	3,500	4,651	(1,151)
Capital Expenditures	10,000	—	10,000
Miscellaneous	<u>1,500</u>	<u>2,015</u>	<u>(515)</u>
Total Expenditures	<u>101,000</u>	<u>84,447</u>	<u>16,553</u>
Excess (Deficiency) of Revenue Over Expenditures	(37,000)	(4,471)	32,529
Fund Balance at Beginning of Year	<u>32,215</u>	<u>32,215</u>	<u>—</u>
Fund Balance at End of Year	\$ 32,215	\$ 32,744	\$ 529

The accompanying notes are an integral part of these statements.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Thirty-Fifth Judicial District was established under the laws of the state of Louisiana for the purpose of creating a State District Court having jurisdiction over Grant Parish, Louisiana. The District receives fees and other costs which are assessed from persons participating in the judicial process. The Judicial Expense Fund was established to account for the receipt of these revenues. The revenues collected may be expended for any purpose to supplement the proper administration of the Court or the Office of the Judge.

The accompanying financial statements present the financial transactions of the Thirty-Fifth Judicial District Expense Fund, a fund administered by the Thirty-Fifth Judicial Court, which is a Component Unit of Grant Parish Police Jury. The financial statements are not intended to present financial position and results of operations for the Judge's Office, the Thirty-Fifth Judicial District or the Grant Parish Police Jury.

Basis of Presentation

The accompanying financial statements of the Thirty-Fifth Judicial Expense Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Accounting

The Thirty-Fifth Judicial District Expense Fund is organized and operated on a fund basis whereby a self-balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues and expenditures.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied. The Expense Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it becomes both measurable and available, and expenditures are recognized when

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Basis of Accounting (cont'd)

a liability has been incurred. Available assets collectible within the current period or within sixty days after year end.

Budgets

Budgets are prepared annually by the judicial staff and approved by the District Judge. Any necessary amendments are approved prior to the end of each year. Amended budgets are prepared and approved in the same manner as the initial budget.

Accruals

Purchase orders, contracts, & other commitments to engage in future expenditures at the time they are purchased or constructed. In accordance with generally accepted accounting principals for governmental units, the Expense Fund does not capitalize fixed assets.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2003, cash and cash equivalents (book balance) totaled \$29,638. The collected bank balance of \$31,694 was fully insured by the Federal Deposit Insurance Corporation at December 31, 2003.

NOTE 3 – RECEIVABLES

Accounts receivable at year end totaled \$10,371. Receivable consist of amounts due from state and local governmental agencies and are considered fully collectible.



DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

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

Honorable Allen Krutz
Louisiana State District Judge
Thirty-Fifth Judicial District Court
200 Main Street, Suite 202
Cottier, Louisiana 71417

We have audited the financial statements of the Thirty-Fifth Judicial District Expense Fund, as of and for the year ended December 31, 2003 and have issued our report thereon dated June 3, 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 Thirty-Fifth Judicial District Expense Fund financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our test 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 Thirty-Fifth Judicial District Expense 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

The Honorable Allen Kruek

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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. 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.

Debevoise, Boali, & Debevoise, CPAs, APC

Alexandria, Louisiana

June 3, 2004

**THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2003**

Section I – Internal Control And Compliance Material To The Financial Statement

There were no findings in this area during the year ended December 31, 2003.

Response – N/A.

Section II – Internal Control And Compliance Material To Federal Awards

There were no findings in this area during the year ended December 31, 2003.

Response – N/A.

Section III – Management Letter

There were no findings in this area during the year ended December 31, 2003.

Response – N/A.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2003

Section I – Internal Control And Compliance Material To The Financial Statement

There were no findings in this area during the year ended December 31, 2002.

Response – N/A.

Section II – Internal Control And Compliance Material To Federal Awards

There were no findings in this area during the year ended December 31, 2002.

Response – N/A.

Section III – Management Letter

There were no findings in this area during the year ended December 31, 2002.

Response – N/A.