

**JUDICIAL EXPENSE FUND OF THE  
TWENTY-FIRST JUDICIAL DISTRICT COURT  
AMITE, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR 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. The reports are 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

Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana

Basic Financial Statements  
With Supplemental Information Schedules  
As of and For the Year Ended December 31, 2003

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# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
INCORPORATED IN LOUISIANA, LA

John W. Durnin, CPA  
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Member  
American Institute of CPAs,  
Society of Louisiana CPAs

May 3, 2004

## Independent Auditor's Report

The Honorable Robert Morrison, Chief Judge  
and Honorable Judges  
Twenty-First Judicial District Court  
Archie, Louisiana

We have audited the accompanying basic financial statements of the Judicial Expense Fund of the Twenty-First Judicial District Court 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 Judicial Expense Fund of the Twenty-First Judicial District Court's management. Our responsibility is to express an opinion on these basic 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. These 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.

In our opinion, the basic financial statements referred to above present fairly, in all material aspects, the financial position of the Judicial Expense Fund of the Twenty-First Judicial District Court 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 May 3, 2004, as our consideration of the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control 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 our audit.

As described in Note 1 to the basic financial statements, the Judicial Expense Fund of the Twenty-First Judicial District Court adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 14, *Basic Financial Statements – and Management's Discussion and Analysis, for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2002. This results in a change in the form and content of the basic financial statements.

Judicial Expenses Fund of the Twenty-First Judicial District  
Acme, Louisiana

The Management's Discussion and Analysis on pages 4 through 8 and the budgetary comparison schedules identified as Schedules 1 and 2 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



Dennis & James, CPAs  
(A Professional Corporation)

## **Management's Discussion and Analysis**

Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana

Management's Discussion and Analysis

December 31, 2003

As management of the Judicial Expense Fund of the Twenty-First Judicial District Court, Amite, Louisiana (the "Court"), we offer readers of the Court's financial statements this narrative overview and analysis of the financial activities of the Court for the fiscal year ended December 31, 2003. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Court's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Court's finances. It is also intended to provide readers with an analysis of the Court's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Court. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Court's financial activity, identify changes in the Court's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Court's financial statements. The Court's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

#### 1. Government-Wide Financial Statements

Government-wide financial statements are designed by GAOB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the Court's financial position and results of operations in a manner similar to a private-sector business.

- A. The statement of net assets presents information on all of the Court's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is 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 Court is improving or worsening.

Judicial Expense Fund of the Twenty-First Judicial District Court  
Archie, Louisiana

Management's Discussion and Analysis (Continued)

December 31, 2003

8. The statement of activities presents information showing how the Court's net assets change during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees).

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Court's assets exceeded its liabilities at the close of the most recent fiscal year by \$1,034,892 (net assets). Of this amount, \$1,010,958 are unrestricted net assets.

A portion of the Court's net assets (2.91 percent) reflects its investment in capital assets (e.g., equipment, furniture, etc.), less any related debt used to acquire these assets that is still outstanding. The Court uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net assets (\$1,010,958) may be used to meet the Court's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Court is able to report positive balances in both categories of net assets. The same situation held true for the prior fiscal year.

**Governmental Activities**

The Governmental Activities of the Court include General Government, Court costs, a FINEE grant, and Juvenile Probation Fees fund these governmental activities.

Here we show the Court's major expenditures related to these functions typically associated with governments. In the chart below, General Government includes the following major expenditures:

| Governmental Activities Expenditures | Amount              | Percent        |
|--------------------------------------|---------------------|----------------|
| Salaries & Related Benefits          | \$ 685,934          | 45.17%         |
| Insurance                            | 15,558              | 1.16%          |
| Legal & Professional                 | 20,088              | 1.49%          |
| General Office & Telephone           | 148,589             | 11.05%         |
| Other Expenditures                   | 552,664             | 41.13%         |
| Total Expenditures                   | <u>\$ 1,343,673</u> | <u>100.00%</u> |

Judicial Expense Fund of the Twenty-First Judicial District Court  
Archie, Louisiana

Management's Discussion and Analysis (Continued)

December 31, 2005

General revenues are those available for the Court to use to pay for the governmental activities described above.

| Governmental Activities Revenues  | Amount       | Percent |
|-----------------------------------|--------------|---------|
| Court Costs                       | \$ 628,584   | 48.61%  |
| Probation Supervision Fees        | 171,965      | 13.39%  |
| Intergovernmental Revenues        | 224,351      | 17.35%  |
| Reimbursement from Criminal Court | 33,493       | 4.34%   |
| Other Revenues                    | 314,554      | 16.60%  |
| Total Revenues                    | \$ 1,392,859 | 100.00% |

## 2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Court consist of one category: governmental funds.

- Governmental funds are used to account for most of the Court's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Court's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Court's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located at Note I.E. of this report.



Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana

Management's Discussion and Analysis (Continued)

December 31, 2005

The Court maintains two governmental funds, the Judicial Expense Fund and the Court Support Fund. Information is presented for these funds on Exhibits A and B of this report.

*Financial Analysis of the Governmental Funds*

As of the end of the current fiscal year, the Court's Judicial Expense Fund and Court Support Fund reported ending fund balances of \$625,371 and \$389,588, respectively.

The Court retains a reasonable surplus in the Judicial Expense Fund for unforeseen future emergencies such as natural disasters, decrease in economic conditions, emergency capital outlay requirements, and other similar conditions.

**3. Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on the pages specified in the table of contents.

**4. Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning with Schedule 1 of this report.

A. Budgetary Comparison Schedule – The Court adopts an annual appropriated budget for the Judicial Expense and Court Support funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget, beginning with Schedule 2.

B. Analysis of Significant Budget Variances in the Judicial Expense Fund:

1. Revenues:

- a. The amount budgeted for reimbursements from Criminal Probation Supervision Fees were under-budgeted. This was due to the inability of the Court to effectively estimate the amount of probation fees expected to be received during the year.

Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana

Management's Discussion and Analysis (Continued)

December 31, 2003

**Capital Asset and Debt Administration**

**I. Capital Assets**

The Court's investment in capital assets for its governmental activities as of December 31, 2003 amounts to \$23,953 (net of accumulated depreciation). This investment in capital assets includes equipment and furniture. The total increase in the Court's investment in capital assets for the current fiscal year was \$9,927.

There were no major capital asset additions during the current fiscal year.

Additional information on the Court's capital assets can be found in Note 6 of this report.

**Economic Factors and Next Year's Budget and Rates**

The following factors were considered in preparing the Court's budget for the 2004 fiscal year:

For fiscal year ending December 31, 2004, there is no budgeted revenue increase in court costs over the December 31, 2003 fiscal year.

There is no surplus or deficit budgeted for the fiscal year ending December 31, 2004.

**Requests for Information**

This financial report is designed to provide a general overview of the Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sam Drumfield, P.O. Box 788, Amite, Louisiana, 70422.

## **Basic Financial Statements**

Judicial Expense Fund of the Twenty-First Judicial District Court  
 Aviano, Louisiana

Exhibit A

Governmental Funds Balance Sheet / Statement of Net Assets

December 31, 2002

|   | Governmental Funds |                    |                      | Statement of Net Assets |                     |
|---|--------------------|--------------------|----------------------|-------------------------|---------------------|
|   | General Fund       | Court Support Fund | Adjustments (Note 1) | 2002                    | 2002                |
| <b>Assets</b>   |                    |                    |                      |                         |                     |
| Cash and Cash Equivalents   | \$ 592,253         | \$ 478,322         | \$ -                 | \$ 1,070,575            | \$ 1,058,097        |
| Receivables   | 17,829             | 12,151             | -                    | 29,971                  | 23,363              |
| Due from Other Governments<br>(Net of Allowances for<br>Uncollectibles) | 25,946             | -                  | -                    | 25,946                  | 188,774             |
| Due from Other Funds  | -                  | 2,186              | -                    | 2,186                   | 2,196               |
| Capital Assets, Net of<br>Accumulated Depreciation<br>(Note 6)          | -                  | -                  | 23,933               | 23,933                  | 14,006              |
| <b>Total Assets</b>   | <b>\$ 636,019</b>  | <b>\$ 492,669</b>  | <b>\$ 23,933</b>     | <b>\$ 1,152,621</b>     | <b>\$ 1,278,336</b> |
| <b>Liabilities</b>  |                    |                    |                      |                         |                     |
| Accounts Payable  | \$ 3,432           | \$ 197,081         | \$ -                 | \$ 113,233              | \$ 258,169          |
| Due to Other Funds  | 2,186              | -                  | -                    | 2,186                   | 2,196               |
| <b>Total Liabilities</b>  | <b>\$ 10,648</b>   | <b>\$ 197,081</b>  | <b>\$ -</b>          | <b>\$ 117,729</b>       | <b>\$ 232,358</b>   |
| <b>Net Assets</b>   |                    |                    |                      |                         |                     |
| Investment in Capital Assets,<br>Net of Related Debt                    | \$ -               | \$ -               | \$ 23,933            | \$ 23,933               | \$ 14,006           |
| Unreserved, Undesignated  | 590,171            | 310,588            | -                    | 868,859                 | 882,474             |
| Unreserved, Designated  | 75,000             | 75,000             | -                    | 158,000                 | 193,000             |
| <b>Total Net Assets</b>   | <b>\$ 625,171</b>  | <b>\$ 385,588</b>  | <b>\$ 23,933</b>     | <b>\$ 1,054,892</b>     | <b>\$ 1,046,480</b> |

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Natchitoches, Louisiana**

**Exhibit B**

**Statement of Governmental Fund Revenues, Expenditures, and Changes in  
Fund Balances / Statement of Activities**

**For the Year Ended December 31, 2005**

|  | <u>Governmental Funds</u> |                           |                             | <u>Statement of Activities</u> |                       |
|--|---------------------------|---------------------------|-----------------------------|--------------------------------|-----------------------|
|  | <u>General Fund</u>       | <u>Court Support Fund</u> | <u>Adjustments (Note 7)</u> | <u>2005</u>                    | <u>2002</u>           |
| <b>Expenditures / Expenses:</b>  |                           |                           |                             |                                |                       |
| General Government   | \$ (494,532)              | \$ (829,718)              | \$ -                        | \$ (1,324,242)                 | \$ (1,180,325)        |
| Capital Outlay   | (8,459)                   | -                         | 8,429                       | -                              | -                     |
| Depreciation   | -                         | -                         | (19,401)                    | (19,401)                       | (20,322)              |
| <b>Total Expenditures / Expenses</b>                                       | <b>\$ (502,991)</b>       | <b>\$ (829,718)</b>       | <b>\$ (11,000)</b>          | <b>\$ (1,343,671)</b>          | <b>\$ (1,201,047)</b> |
| <b>Program Revenues:</b>   |                           |                           |                             |                                |                       |
| Charges for Services   | \$ 388,773                | \$ 447,979                | \$ -                        | \$ 836,743                     | \$ 806,799            |
| <b>Net Program Expenses</b>  | <b>\$ 114,218</b>         | <b>\$ 381,739</b>         | <b>\$ -</b>                 | <b>\$ 506,928</b>              | <b>\$ 394,248</b>     |
| <b>General Revenues:</b>   |                           |                           |                             |                                |                       |
| Interest   | \$ 18,180                 | \$ 2,749                  | \$ -                        | \$ 20,929                      | \$ 11,242             |
| Intergovernmental Grant  | -                         | 324,351                   | -                           | 324,351                        | 389,974               |
| Criminal Court Reimbursement   | 53,493                    | -                         | -                           | 53,493                         | 358,768               |
| Miscellaneous Income   | 2,153                     | 171,388                   | -                           | 173,541                        | 7,811                 |
| <b>Total General Revenues</b>  | <b>\$ 73,826</b>          | <b>\$ 499,488</b>         | <b>\$ -</b>                 | <b>\$ 572,324</b>              | <b>\$ 767,805</b>     |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>                   | <b>\$ (429,175)</b>       | <b>\$ (382,260)</b>       | <b>\$ (11,000)</b>          | <b>\$ (774,651)</b>            | <b>\$ (436,443)</b>   |
| <b>Other Financing Sources (Uses):</b>                                     |                           |                           |                             |                                |                       |
| Interfund Transfers  | \$ 398,537                | \$ (390,991)              | \$ -                        | \$ 7,546                       | \$ -                  |
| <b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b> | <b>\$ 69,362</b>          | <b>\$ (82,269)</b>        | <b>\$ (11,000)</b>          | <b>\$ (65,105)</b>             | <b>\$ (436,443)</b>   |
| <b>Fund Balance - Beginning of the Year</b>                                | <b>\$ 399,684</b>         | <b>\$ 442,790</b>         | <b>\$ 14,806</b>            | <b>\$ 1,846,480</b>            | <b>\$ 792,971</b>     |
| <b>Prior Period Adjustment</b>   | <b>\$ (14,589)</b>        | <b>\$ 6,841</b>           | <b>\$ 20,528</b>            | <b>\$ 12,279</b>               | <b>\$ -</b>           |
| <b>Fund Balance - End of the Year</b>                                      | <b>\$ 285,095</b>         | <b>\$ 360,521</b>         | <b>\$ 23,834</b>            | <b>\$ 1,833,654</b>            | <b>\$ 356,528</b>     |

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Notes To The Financial Statements**

**For the Year Ended December 31, 2003**

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Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana

Notes To The Financial Statements

For the Year Ended December 31, 2003

**Narrative Profile**

The Judicial Expense Fund of the Twenty-First Judicial District Court (hereafter referred to as "Judicial Expense Fund") was established on July 8, 1981 by Act No. 437, Subsection A of Section 996.8 of Title 13 of the Louisiana Revised Statutes of 1993 by the Legislature of Louisiana. This original Act was amended by Act 1985, Number 60, Section 1.

The Amended Act provides for the collection of fees or costs in addition to all other fees or costs now or hereafter provided by law. The Clerk of Court of the Twenty-First Judicial District Court shall collect from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum to be determined by Judges of said district, sitting en banc, which sum shall not exceed ten dollars, subject; however, to the provisions of Louisiana Code of Civil Procedure, Article 5181, et seq.; and, in all criminal cases over which the Twenty-First Judicial District Court has jurisdiction, there shall be taxed as costs against every defendant who is convicted after trial or after he pleads guilty or who forfeits his bond, a sum likewise determined, but which shall not exceed ten dollars, which shall be in addition to all other fines, costs or forfeitures lawfully imposed, and which shall be transmitted to the said clerk for further disposition in accordance herewith.

The judges, en banc, of the Twenty-First Judicial District Court may pay each of their court reporters a salary from the judicial expense fund. The judges, en banc, may further appoint such secretarial, clerical, research, administrative or other personnel as they deem necessary to expedite the business and function of the court and pay all or any part of the salaries of such personnel out of the monies in the judicial expense fund. In like manner, the judges may utilize the monies in the judicial expense fund to pay all or any part of the cost of establishing and maintaining a law library for the court, or for buying and maintaining any type of equipment, supplies or other items consistent with the proper administration and efficient operation of the court.

**I. Summary Of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying basic financial statements of the Judicial Expense 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 No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Definition and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001.

Judicial Expense Fund of the Twenty-First Judicial District Court  
Ambid, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

B. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Because the Judicial Expense Fund's revenues are self-generated, the Judicial Expense Fund is not fiscally dependent on the council. The Judicial Expense Fund was determined not to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Judicial Expense Fund and do not present information on the Tangipahoa Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C.



Judicial Expense Fund of the Twenty-First Judicial District Court  
Acadia, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2005

Fund Accounting

The Judicial Expense Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Judicial Expense Fund functions and activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Judicial Expense Fund are classified as governmental funds.

Governmental funds account for all of the Judicial Expense Fund's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets.

Governmental funds of the Judicial Expense Fund include:

1. **Judicial Expense Fund** - the general operating fund of the Judicial Expense Fund accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special Revenue Fund** - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**D. Basis of Accounting**

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds of Exhibits A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Judicial Expense Fund wide operations.

The amounts reflected in the Governmental Funds of Exhibits A and B used 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). Measurement 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 Expense Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain

Judicial Expense Fund of the Twenty-First Judicial District Court  
Acme, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2005

compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Substantially all governmental fund revenues (fees, grants and interest earned) are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. An exception to this rule is criminal probation supervision fees, which are recorded as revenue when received.

**Expenditures** – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. Government-Wide Financial Statements (GWS)**

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the Judicial Expense Fund as a whole. These statements include all the financial activities of the Judicial Expense Fund. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** – Program revenues included in the column labeled Statement of Activities (Exhibit B) are derived directly from the Judicial Expense Fund's users as a fee for services; program revenues reduce the cost of the function to be financed from the Judicial Expense Fund's general revenues.

**Reconciliation:**

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Exhibit B) and the Statement of Net Assets (Exhibit A) are as follows:

Judicial Expense Fund of the Twenty-First Judicial District Court  
Acme, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

| <u>Exhibit B</u>                                      |                  |
|---|------------------|
| Capitalization of Capital Assets                      | \$ 8,429         |
| Recording of Depreciation Expense                     | <u>(18,431)</u>  |
|   | (11,002)         |
| Adjustment to Beginning Fund Balance for Prior Years: |                  |
| Capital Assets  | 14,906           |
| Prior Period Adjustment:                              |                  |
| To Correct Unrecorded Disposals in Prior Years        | <u>20,929</u>    |
| Net Effect of Changes                                 | <u>\$ 23,933</u> |
| <u>Exhibit A</u>                                      |                  |
| Recording Net Capital Assets                          | \$ 23,933        |
| Net Effect of Changes                                 | <u>\$ 23,933</u> |

F. Budgets and Budgetary Accounting

The Judicial Expense Fund adopted an operating budget for the Judicial Expense Fund and the Court Support Fund for the fiscal year ended December 31, 2003. The budget for the Judicial Expense Fund and the Court Support Fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

The Judicial Expense Fund follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Fund Administrator prepares a proposed budget and submits it to the Judges of the Twenty-First Judicial District Court for their review no later than fifteen days prior to the beginning of each fiscal year.
2. A meeting is then held with the Fund Administrator and the Judges to review the proposed budget and formal adoption is made by majority vote of the Judges of the Twenty-First Judicial District Court. The budget for 2003 was adopted by the Judges on November 20, 2002.

Judicial Expense Fund of the Twenty-First Judicial District Court,  
Terre, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

3. Copies of the adopted budget are kept on file for public inspection.
4. Budgetary amendments due to increases or decreases in revenues or expenditures over amounts estimated require majority vote of the Judges of the Twenty-First Judicial District Court. The Judicial Expense Fund budget for the year ended December 31, 2003 was amended by majority vote of the Judges on November 12, 2003. The Court Support Fund budget for the year ended December 31, 2003 was amended by majority vote of the Judges on November 12, 2003 also.
5. All budgetary appropriations lapse at the end of each year.
6. Formal budgetary integration is not employed.

The Judicial Expense Fund complied with the local budget act.

**G. Cash And Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits and time certificates of deposit. Under state law, the Judicial Expense Fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**H. Inventory**

The Judicial Expense Fund has no inventory on hand at December 31, 2003. Expendable supplies in the Judicial Expense Fund are recorded as expenditures at the time the supplies are purchased.

**I. Prepaid Items**

The Judicial Expense Fund did not record any prepaid items at December 31, 2003.

**J. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Aviano, Louisiana**

**Notes To The Financial Statements (Continued)**

**For the Year Ended December 31, 2000**

purpose. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| Description | Estimated<br>Lives |
|-------------|--------------------|
| Furniture   | 7                  |
| Equipment   | 5                  |

**K. Compensated Absences**

All full-time employees earn ten (10) days of annual leave and ten (10) days of sick leave after one year of service. Unused sick leave and annual leave is not accumulated. At December 31, 2000, there were no employee leave balances requiring recognition in accordance with GASB Statement No. 16. All full-time employees are carried on the payroll of other governmental units and are covered under their related pension plans.

**L. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from these estimates.

**M. Long-Term Obligations**

Long-term obligations are recorded in the Statement of Net Assets and the Statement of Activities.

**N. Encumbrances**

The Judicial Expense Fund does not utilize encumbrance accounting.

Judicial Expense Fund of the Twenty-First Judicial District Court  
Acadia, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

**2. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1 regarding operating budgets. The Judicial Expense Fund complied with the local budget act.

**B. Deposits and Investment Laws and Regulations**

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the District Court did not comply with the deposits and investments laws and regulations.

**C. Deficit Fund Equity**

As of December 31, 2003, the District Court had no funds with deficit fund equities.

**3. Cash and Cash Equivalents**

For reporting purposes, cash and cash equivalents include demand deposits and time certificates of deposits. Under Louisiana law, the Fund may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Fund may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As reflected in the accompanying combined balance sheet, the Fund had cash and cash equivalents totaling \$969,987 at December 31, 2003. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following is a summary of cash and cash equivalents as confirmed by financial institutions at December 31, 2003, with the related federal deposit insurance and pledged securities. The cash and cash equivalents at December 31, 2003, were secured as follows:

Judicial Expense Fund of the Twenty-First Judicial District Court  
 Amite, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

|   | Confirmed<br>Bank Balances<br>12/31/2003 | FDIC<br>Insurance | Balance<br>Uninsured |
|---|--|-------------------|----------------------|
| Demand Deposits   | \$ -                                     | \$ -              | \$ -                 |
| Interest Bearing Demand Deposits  | 682,900                                  | 243,584           | -438,316             |
| Time Deposits   | 388,687                                  | 250,000           | 58,687               |
| Total   | \$ 969,587                               | \$ 493,584        | \$ -476,000          |
| <br>Uncollateralized-   |  |                   |                      |
| Securities held in the name of the<br>Fiscal Agent pledged to the Court   |  |                   | \$ -438,316          |
| <br>Excess of FDIC Insurance and Pledged<br>Securities over Cash Balances |  |                   |                      |
|   |  |                   | \$ (38,687)          |

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of OASH Statement 3, Louisiana Revised Statute 39:1219 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2003, the District Court was not in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

Judicial Expense Fund of the Twenty-First Judicial District Court  
Aurora, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

**4. Receivables**

Receivables represent accrued interest on certificates of deposit, court-filing fees, and support account fees earned in 2003 and received in 2004 from the following:

|                        | General Fund     | Special<br>Revenue Fund | Total            |
|------------------------|------------------|-------------------------|------------------|
| <b>Fees:</b>           |                  |                         |                  |
| <b>Clerk of Court:</b> |                  |                         |                  |
| Tangipahoa Parish      | \$ -             | \$ -                    | \$ -             |
| Livingson Parish       | -                | -                       | -                |
| St. Helena Parish      | -                | -                       | -                |
|                        | <hr/>            | <hr/>                   | <hr/>            |
| Civil Court Fees       | \$ -             | \$ -                    | \$ -             |
| <b>Sheriff:</b>        |                  |                         |                  |
| Tangipahoa Parish      | \$ 7,201         | \$ -                    | \$ 7,200         |
| Livingson Parish       | 7,730            | -                       | 7,730            |
| St. Helena Parish      | 480              | -                       | 480              |
|                        | <hr/>            | <hr/>                   | <hr/>            |
| Criminal Court Fees    | \$ 15,391        | \$ -                    | \$ 15,391        |
| Juvenile Drug Court    | \$ -             | \$ 12,151               | \$ 12,151        |
| Other                  | \$ 2,429         | \$ -                    | \$ 2,429         |
|                        | <hr/>            | <hr/>                   | <hr/>            |
| Total Receivables      | <u>\$ 17,820</u> | <u>\$ 12,151</u>        | <u>\$ 29,971</u> |

No allowance for uncollectible receivables is required at December 31, 2003.



**Judicial Expense Fund of the Twenty-First Judicial District Court  
Acadia, Louisiana**

**Notes To The Financial Statements (Continued)**

**For the Year Ended December 31, 2003**

**5. Due From Other Governmental Units**

Due from other governments consists of unaccounted loans in the amount of \$25,946. The outstanding balances as of December 31, 2003 consist of the following:

|   | <u>General Fund</u> | <u>Special<br/>Revenue Fund</u> | <u>Total</u>     |
|---|---------------------|---------------------------------|------------------|
| Support Enforcement                           | \$ -                | \$ -                            | \$ -             |
| Livingston Parish Council                     | 9,238               | -                               | 9,238            |
| Tangipahoa Parish Council                     | 16,708              | -                               | 16,708           |
| Subtotal                                      | <u>\$ 25,946</u>    | <u>\$ -</u>                     | <u>\$ 25,946</u> |
| Less: Allowance for<br>Uncollectible Accounts | -                   | -                               | -                |
| Total   | <u>\$ 25,946</u>    | <u>\$ -</u>                     | <u>\$ 25,946</u> |

**6. Changes in Capital Assets**

A summary of changes in capital assets for the year ended December 31, 2003 follows:

|                                   | <u>Balance<br/>01/01/03</u> | <u>Additions</u>   | <u>Deductions</u>  | <u>Balance<br/>12/31/03</u> |
|-----------------------------------|-----------------------------|--------------------|--------------------|-----------------------------|
| Capital Assets                    | \$ 364,586                  | \$ 8,429           | \$ 27,283          | \$ 346,132                  |
| Less: Accumulated<br>Depreciation | <u>250,980</u>              | <u>19,431</u>      | <u>48,232</u>      | <u>322,199</u>              |
| Total                             | <u>\$ 114,606</u>           | <u>\$ (11,002)</u> | <u>\$ (20,959)</u> | <u>\$ 223,933</u>           |

**7. Pension Plan**

All employees of the Judicial Expense Fund are members of the social security system.

In addition to employee payroll deduction, the Judicial Expense Fund remits funds to match the employee contributions. The Fund's portion of contributions to the social security system for the year ended December 31, 2003, totaled \$3,682. The Judicial Expense Fund does not have any liability for employee pension benefits.

Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

8. Leases

The Judicial Expense Fund records operating leases as current expenditures in the accompanying financial statements. The following is an analysis of significant operating leases at December 31, 2003:

On April 27, 1993, the Judicial Expense Fund entered into a lease for office rent in Livingston Parish. The lease provides for rental of \$380 per month commencing May 1, 1993, and can be terminated at any time.

On January 1, 1999, the Judicial Expense Fund entered into a lease for office rent in Tangipahoa Parish. The lease provides for rental of \$200 per month, until terminated. Additional leases in Tangipahoa Parish are as follows: \$450 per month for the Probation Office and \$350 per month for the Juvenile Drug Court.

Since these leases may be terminated at any time, the Judicial Expense Fund has no required future annual commitments under these leases.

9. Litigation

There is no litigation pending against the Judicial Expense Fund at December 31, 2003.

10. FINS Program

The Families in Need of Services Special Revenue Fund (FINS) is used to account for the receipt and disbursement of funds collected for reducing the number of children who enter the juvenile justice system or foster care system. The FINS Fund is included in the Special Revenue Fund.

Selected data for the FINS Fund follows:

|   |                   |
|---|-------------------|
| Revenues:   |                   |
| Intergovernmental Grant   | \$ 48,118         |
| Less: Portion of Grant shared<br>with the City Court of Hammond | <u>34,055</u>     |
| Revenue Recognized  | 14,063            |
| Expenditures  | <u>124,869</u>    |
| Excess of Expenditures over Revenues                            | <u>\$ 108,814</u> |

Judicial Expense Fund of the Twenty-First Judicial District Court  
Archie, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2003

The excess of Expenditures over Revenues was absorbed by other Special Revenue Fund Revenues.

11. **Designated Fund Balances**

The Twenty-First Judicial District Court records dedications to indicate that a portion of the fund equity is segregated for a specific future use. The following details the description and amount of all dedications used by the District Court.

| <u>Fund</u>                        | <u>Balance at<br/>December 31, 2003</u> | <u>Purpose of<br/>Designation</u> |
|------------------------------------|---|-----------------------------------|
| General Fund                       | \$ 175,000                              | Capital Expenditures              |
| Court Support Special Revenue Fund | 175,000                                 | Capital Expenditures              |
|                                    | <u>\$ 350,000</u>                       |                                   |

12. **Prior Period Adjustment**

The prior period adjustment for the Judicial Expense Fund shows on the Statement of Activities is the result of management corrections during the client's end of year closeout procedures. This adjustment for \$14,500 is the result of an overstatement of receivables during the prior year that resulted in the overstatement of revenue. As a result, a prior period adjustment was made to properly reflect the ending fund balance from the prior year.

The prior period adjustment for the Court Support Fund shows on the Statement of Activities is the result of management corrections during the client's end of year closeout procedures. This adjustment for \$6,841 is the result of an understatement of receivables during the prior year that resulted in the understatement of revenue. As a result, a prior period adjustment was made to properly reflect the ending fund balance from the prior year.

The prior period adjustment is related to a review of fixed assets performed that determined that there were a number of assets on the prior year's fixed asset list that were either missing, disposed of, or previously sold. As a result, an adjustment was needed to properly remove these items from inventory. The net amount of this adjustment, including both cost and accumulated depreciation, totaled \$28,328.

**Required Supplemental Information**

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Schedule J**

**Budgetary Comparison Schedule – Judicial Expense Fund**

**For the Year Ended December 31, 2010**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts -<br/>Budgetary<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Favorable /<br/>(Unfavorable)</u> |
|--|----------------------------|-------------------------|---|---|
| <b>Revenues:</b>   |                            |                         |   |   |
| Civil & Criminal Court Fees  | \$ 174,000                 | \$ 172,000              | \$ 180,534  | \$ 8,534  |
| Bond Forfeiture Balances   | 12,700                     | 12,000                  | 28,274  | 16,274  |
| Criminal Probation Supervision Fees  | 152,000                    | 148,500                 | 171,962   | 23,462  |
| Interest Earned  | 19,000                     | 10,000                  | 10,190  | 190   |
| Reimbursement from Criminal Court  | 79,000                     | 61,000                  | 53,493  | (25,507)  |
| Miscellaneous Income   | -                          | -                       | 2,193   | 2,193   |
| <b>Total Revenues</b>  | <b>\$ 436,000</b>          | <b>\$ 403,500</b>       | <b>\$ 496,656</b>                                   | <b>\$ 42,156</b>  |
| <b>Expenditures:</b>   |                            |                         |   |   |
| Administrator's Contract   | \$ 54,500                  | \$ 54,500               | \$ 56,283   | \$ (1,783)  |
| Contracted Law Clerks  | 12,000                     | 12,000                  | 6,178   | 5,820   |
| Court Reporters  | 7,000                      | 9,000                   | 9,200   | (200)   |
| General Office Expenditures  | 79,800                     | 76,300                  | 75,964  | 336   |
| Insurance  | 7,400                      | 10,900                  | 12,105  | (1,205)   |
| Legal & Professional   | 13,000                     | 13,000                  | 14,977  | (1,977)   |
| Probation Officer Contract   | 158,100                    | 149,440                 | 149,862   | (422)   |
| Salaries & Related Benefits  | 36,900                     | 71,000                  | 48,003  | (23,003)  |
| Telephone  | 60,000                     | 60,000                  | 55,419  | 4,581   |
| Travel, Training, & Meetings   | 19,000                     | 16,500                  | 17,668  | (200)   |
| Vehicle Expense  | 48,000                     | 48,000                  | 48,000  | -   |
| Miscellaneous  | 8,600                      | 10,500                  | 8,467   | 1,603   |
| Capital Outlay   | 27,500                     | 14,500                  | 8,409   | 6,071   |
| <b>Total Expenditures</b>  | <b>\$ 719,900</b>          | <b>\$ 511,240</b>       | <b>\$ 592,961</b>                                   | <b>\$ 20,739</b>  |
| <b>Excess (Deficiency) of Revenues over Expenditures</b>                       | <b>\$ 285,900</b>          | <b>\$ (107,740)</b>     | <b>\$ (96,305)</b>                                  | <b>\$ 31,090</b>  |
| <b>Other Financing Sources (Uses)</b>  |                            |                         |   |   |
| Transfer from Court Support Fund   | <u>61,800</u>              | <u>36,000</u>           | <u>106,107</u>                                      | <u>70,307</u>   |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures</b> | <b>\$ (12,900)</b>         | <b>\$ (71,440)</b>      | <b>\$ 9,197</b>                                     | <b>\$ 121,627</b>   |
| <b>Fund Balance - Beginning of the Year, Adjusted</b>                          | <b>\$ -</b>                | <b>\$ -</b>             | <b>\$ 275,184</b>                                   | <b>\$ 275,184</b>   |
| <b>Fund Balance - End of the Year</b>  | <b>\$ (12,900)</b>         | <b>\$ (71,440)</b>      | <b>\$ 284,381</b>                                   | <b>\$ 696,811</b>   |

See auditor's report.

**Judicial Expense Fund of the Twenty-First Judicial District Court,  
Aviano, Louisiana**

**Schedule 2**

**Budgetary Comparison Schedule – Court Support Fund**

**For the Year Ended December 31, 2003**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts -<br/>Budgetary<br/>Data</u> | <u>Variance with<br/>Final Budget<br/>Favorable /<br/>(Unfavorable)</u> |
|--|----------------------------|-------------------------|--|---|
| <b>Revenues:</b>   |                            |                         |  |   |
| Support-Enforcement Fees   | \$ 410,000                 | \$ 420,000              | \$ 447,078   | \$ (27,078)   |
| Improvemental-Court  | 221,400                    | 221,400                 | 224,251  | 2,851   |
| Interest Earned  | 7,000                      | 7,000                   | 2,749  | (4,251)   |
| Miscellaneous Income   | <u>152,000</u>             | <u>154,200</u>          | <u>171,188</u>                                     | <u>16,988</u>   |
| <b>Total Revenues</b>  | <b>\$ 790,400</b>          | <b>\$ 802,600</b>       | <b>\$ 845,266</b>                                  | <b>\$ (42,666)</b>  |
| <b>Expenditures:</b>   |                            |                         |  |   |
| Contracted Law Clerks  | \$ 75,000                  | \$ 90,000               | \$ 84,021  | \$ (14,971)   |
| Court Reporters  | 5,000                      | 41,000                  | 42,842   | (2,842)   |
| Data Processing  | 4,000                      | 1,000                   | -  | 4,000   |
| FDMS Program Expenditures  | 115,000                    | 133,600                 | 124,669  | 8,931   |
| General-Office Expenditures  | 18,100                     | 18,300                  | 17,126   | 1,174   |
| Hearing-Office Contract  | 72,000                     | 72,000                  | 71,214   | 786   |
| Juvenile Drug Court  | 112,000                    | 140,270                 | 136,132  | 4,138   |
| Law-Library, Books, & Computer   | 2,000                      | 300                     | 414  | 144   |
| Legal & Professional   | 6,700                      | 6,700                   | 3,021  | 3,679   |
| Repairs & Maintenance  | 4,300                      | -                       | -  | 4,300   |
| Salaries & Related Benefits  | 32,000                     | 2,700                   | 3,687  | 28,313  |
| Stenographer, Bailiff, Public Defender,<br>Misses-Clerk, & Other-Clerks        | 70,500                     | 118,000                 | 106,013  | 11,987  |
| TASC Program Expenditures  | 197,400                    | 197,400                 | 194,127  | 3,273   |
| Telephone  | 23,000                     | -                       | -  | 23,000  |
| Travel, Training, & Meetings   | 15,200                     | 18,300                  | 6,880  | 11,420  |
| Miscellaneous  | 5,400                      | 8,900                   | 6,277  | 2,623   |
| Capital Outlay   | <u>5,000</u>               | <u>5,000</u>            | <u>-</u>   | <u>5,000</u>  |
| <b>Total Expenditures</b>  | <b>\$ 815,200</b>          | <b>\$ 848,220</b>       | <b>\$ 826,719</b>                                  | <b>\$ (21,501)</b>  |
| <b>Excess (Deficiency) of Revenues over Expenditures</b>                       | <b>\$ (24,800)</b>         | <b>\$ (45,620)</b>      | <b>\$ 18,547</b>                                   | <b>\$ (64,167)</b>  |
| <b>Other Financing Sources (Uses)</b>  |                            |                         |  |   |
| Transfers to Judicial Expense Fund   | \$ (61,500)                | \$ (16,000)             | \$ (80,791)  | \$ (45,291)   |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures</b> | <b>\$ (86,300)</b>         | <b>\$ (61,620)</b>      | <b>\$ (62,174)</b>                                 | <b>\$ (25,620)</b>  |
| <b>Fund Balance - Beginning of the Year</b>                                    | <b>\$ -</b>                | <b>\$ -</b>             | <b>\$ 442,700</b>                                  | <b>\$ 442,700</b>   |
| <b>Fund Balance - End of the Year</b>  | <b>\$ (86,300)</b>         | <b>\$ (61,620)</b>      | <b>\$ 380,526</b>                                  | <b>\$ (46,124)</b>  |

See auditor's report.

**Other Independent Auditor's Reports and  
Findings and Recommendations**

**Independent Auditor's Report on Compliance and on  
Internal Control over Financial Reporting Based on an  
Audit of Basic Financial Statements Performed in  
Accordance with Government Auditing Standards**



# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
MEMBER AICPA

John W. Durnin, CPA  
Dustin E. James, CPA

Member  
American Institute of CPA's  
Society of Certified CPAs

May 3, 2004

**Independent Auditor's Report on Compliance and on  
Internal Control over Financial Reporting Based on an  
Audit of Basic Financial Statements Performed in  
Accordance with Government Auditing Standards**

The Honorable Robert Morrison, Chief Judge  
and Honorable Judges  
Twenty-First Judicial District Court  
Amite, Louisiana

We have audited the basic financial statements of the Judicial Expense Fund of the Twenty-First Judicial District Court, Amite, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 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 the Judicial Expense Fund of the Twenty-First Judicial District Court's basic 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 those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2003-01.

## **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Judicial Expense Fund of the Twenty-First Judicial District Court'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 in amounts that would be material in relation to the basic financial

Judicial Expense Fund of the  
Twenty-First Judicial District Court

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 solely 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 those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Dennis & James, CPAs  
(A Professional Corporation)

## **Findings and Recommendations**

Judicial Expense Fund of the Twenty-First Judicial District Court  
Archie, Louisiana

Current Year Audit Findings

For the Year Ended December 31, 2013

**Compliance**

**2001.01 – Certificates of Deposits in Bank under Collateralized**

Certificates of deposit, which were not covered by FDIC, were not collateralized by the pledging of securities.

The bank did not pledge securities when certificates of deposit exceeded FDIC coverage. State law LSA-R.S. 18:1225 requires that the depository pledge as security for deposits its own securities. The amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States. At December 31, 2013, certificates of deposit in the amount of \$35,687 were unsecured.

We recommend the Court request their local Bank of Greensburg branch pledge an adequate amount of securities for their accounts. We also recommend the court monitor pledged security reports on a monthly basis.

In management's Corrective Action Plan dated May 19, 2014, management stated that it had already had securities pledged for the certificates of deposit and that pledged security reports would be monitored monthly.

**Internal Control over Financial Reporting**

None

**Corrective Action Plan for Current Year Audit Findings**

Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana

Corrective Action Plan for Current Year Audit Findings

For the Year Ended December 31, 2003

| <u>Ref.#</u> | <u>Description of Finding</u>              | <u>Corrective Action Plan</u>  | <u>Name of Contact Person</u> | <u>Anticipated Completion Date</u> |
|--------------|--|--|-------------------------------|------------------------------------|
| 2003-01      | Cash deposits in bank under-collateralized | Bank will be required to pledge securities as necessary, and pledged security reports will be reviewed | Sara Bramfield                | June 30, 2004                      |

*Note: This schedule has been prepared by the management of the Judicial Expense Fund of the Twenty-First Judicial District Court.*

**Summary Schedule of Prior Audit Findings**

**Judicial Expenses Fund of the Twenty-First Judicial District Court  
 Avulav, Louisiana**

**Summary Schedule of Prior Audit Findings**

For the Year Ended December 31, 2000

| <u>Ref:</u> | <u>Fiscal Year Findings Initially Occurred</u> | <u>Description of Findings</u> | <u>Corrective Action</u> | <u>Plus Corrective Action - Partial Corrective Action Taken</u> | <u>Additional Explanation</u> |
|-------------|--|--------------------------------|--------------------------|---|-------------------------------|
|-------------|--|--------------------------------|--------------------------|---|-------------------------------|

None

Notes: This schedule has been prepared by the management of the Judicial Expenses Fund of the Twenty-First Judicial District Court.