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**JUDICIAL EXPENSE FUND FOR THE
SEVENTH JUDICIAL DISTRICT COURT
FAMILIES IN NEED OF SERVICES (FINS) FUND
Vidalia, Louisiana**

**General Purpose Financial Statements
and Auditor's Report**

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 9.1.04

JERI SUE TOSSPON
Certified Public Accountant

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SECTION I
GENERAL PURPOSE FINANCIAL STATEMENTS
REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

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AUDITOR'S REPORT

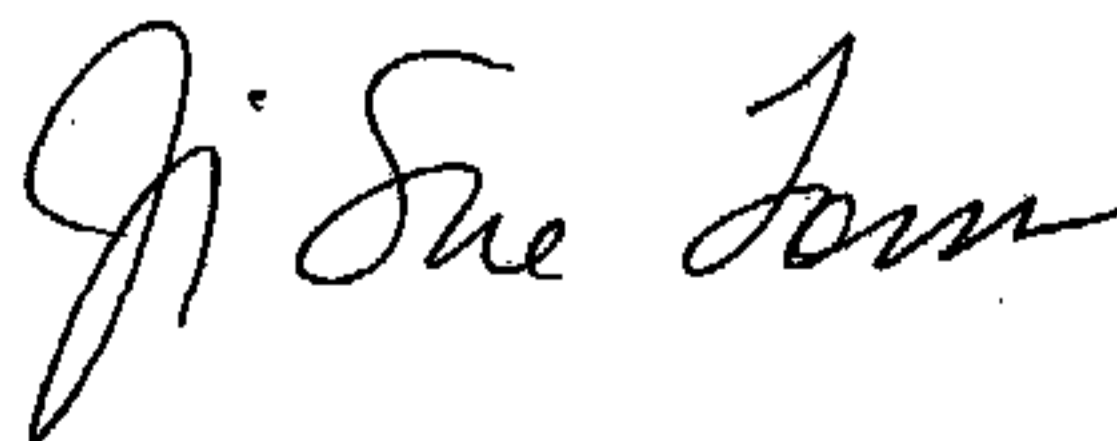
Honorable Leo Boothe, Judge
Honorable Kathy Johnson, Judge
Judicial Expense Fund for the Seventh
Judicial District Court
Vidalia, Louisiana

I have audited the accompanying general purpose financial statements of the Judicial Expense Fund for the Seventh Judicial District Court and the Families in Need of Services (FINS) Fund as of December 31, 2003, and for the year then ended. These financial statements are the responsibility of the Judicial Expense and FINS Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 I 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2004 on my consideration of the Judicial Expense Fund and FINS Fund's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Judicial Expense Fund and FINS 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.



Ferriday, Louisiana
June 25, 2004

**JUDICIAL EXPENSE FUND FOR THE SEVENTH
JUDICIAL DISTRICT COURT
BALANCE SHEET
(ALL FUND TYPES AND ACCOUNT GROUPS)
DECEMBER 31, 2003**

	<u>Judicial Expense Fund</u>	<u>FINS Fund</u>	<u>Account Group - General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS</u>				
Cash and cash equivalents (Note 3)	\$ 19,660	\$ 2,191		\$ 21,851
Receivables (Note 4)	5,723	2,962		8,685
Equipment (Note 5)			\$ 60,720	60,720
Total Assets	<u>\$ 25,383</u>	<u>\$ 5,153</u>	<u>\$ 60,720</u>	<u>\$ 91,256</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>				
Liabilities - Accounts payable	\$ 73			\$ 73
Fund equity and other credits - Investment in general fixed assets			\$ 60,720	\$ 60,720
Fund Balance, unreserved and undesignated	\$ 25,310	\$ 5,153		30,463
Total Fund Equity and Other Credits	<u>\$ 25,310</u>	<u>\$ 5,153</u>	<u>\$ 60,720</u>	<u>\$ 91,183</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 25,383</u>	<u>\$ 5,153</u>	<u>\$ 60,720</u>	<u>\$ 91,256</u>

See accompanying notes to the financial statements

**JUDICIAL EXPENSE FUND FOR THE SEVENTH
JUDICIAL DISTRICT COURT
STATEMENT OF REVENUE, EXPENDITURE AND
CHANGES IN FUND BALANCE
(GOVERNMENTAL FUND - GENERAL FUND AND FINS FUND)
YEAR ENDED DECEMBER 31, 2003**

<u>REVENUES</u>	Judicial Expense Fund	FINS Fund	(Memorandum Only)
Criminal and civil fees			
Concordia & Catahoula Sheriff	\$ 26,360		\$ 26,360
Concordia & Catahoula Clerk of Court	10,046		10,046
Probation fees	26,454		26,454
State Funds - FINS Program		\$ 35,540	35,540
Use of money and property - interest earnings	438		438
Bond fees	4,192		4,192
Other			0
Total revenue	<u>\$ 67,490</u>	<u>\$ 35,540</u>	<u>\$ 103,030</u>
<u>EXPENDITURES</u>			
General government - judicial			
Office supply and expense	\$ 4,585	\$ 266	\$ 4,851
Seminar and travel	16,051	1,520	17,571
Audit and accounting	900		900
Library and subscriptions	1,245		1,245
Payroll and taxes	35,795	40,534	76,329
Contractual services			
Mobile telephone	1,062	410	1,472
Typing and other services	2,395	300	2,695
Capital outlay - equipment	6,979		6,979
Total expenditures	<u>\$ 69,012</u>	<u>\$ 43,030</u>	<u>\$ 112,042</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$ (1,522)	\$ (7,490)	\$ (9,012)
FUND BALANCE, JANUARY 1	<u>26,832</u>	<u>12,643</u>	<u>39,475</u>
FUND BALANCE, DECEMBER 31	<u>\$ 25,310</u>	<u>\$ 5,153</u>	<u>\$ 30,463</u>

See accompanying notes to the financial statements

**JUDICIAL EXPENSE FUND FOR THE SEVENTH
JUDICIAL DISTRICT COURT
STATEMENT OF REVENUE, EXPENDITURE AND
CHANGES IN FUND BALANCE**

**BUDGET (CASH BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2003
(JUDICIAL EXPENSE FUND ONLY)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>RECEIPTS</u>			
Criminal and civil fees	\$ 57,000	\$ 60,626	\$ 3,626
Interest	350	438	88
Other	5,900	4,010	(1,890)
Total revenue	<u>\$ 63,250</u>	<u>\$ 65,074</u>	<u>\$ 1,823</u>
<u>DISBURSEMENTS</u>			
General government - judicial			
Office supply and expense	\$ 4,800	\$ 4,561	\$ 239
Travel (net of reimbursements)	12,350	16,051	(3,701)
Audit and accounting	900	900	0
Library and subscriptions	950	1,245	(295)
Payroll and taxes	38,600	35,795	2,805
Contractual services			
Mobile telephone	1,000	1,013	(13)
Typing and other services	900	2,395	(1,495)
Capital outlay - equipment	7,000	6,980	20
Total expenditures	<u>\$ 66,500</u>	<u>\$ 68,940</u>	<u>\$ (2,441)</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	\$ (3,250)	\$ (3,866)	\$ (617)
CASH BALANCE, JANUARY 1	<u>23,526</u>	<u>23,526</u>	<u>0</u>
CASH BALANCE, DECEMBER 31	<u>\$ 20,276</u>	<u>\$ 19,660</u>	<u>\$ (617)</u>

See accompanying notes to the financial statements

**JUDICIAL EXPENSE FUND FOR THE
SEVENTH JUDICIAL DISTRICT COURT
FAMILIES IN NEED OF SERVICES (FINS) FUND
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2003 and for the Year then Ended**

NOTE 1 - INTRODUCTION

The Judicial Expense Fund for the Seventh Judicial District Court was established by Louisiana Revised Statute 13:996.51 for the purpose of administering the district court or the office of the individual judges of the court. Operations of the Judicial Expense Fund for the Seventh Judicial District Court are funded by court costs on criminal charges and costs on civil suits that are not exempted from court costs. As provided by LSA-R.S. 13:621.7, the Seventh Judicial District Court encompasses the parishes of Catahoula and Concordia. The Seventh Judicial District Court is domiciled in Vidalia, Louisiana, and is subject to the general administrative rules and regulations of the Louisiana Supreme Court.

The Seventh Judicial District Court, Families in Need of Services (FINS) Fund was established in 1997 for the purpose of administering certain funds to provide services needed by the families and juveniles of the Seventh Judicial District as recommended by the court. Operations of the Seventh Judicial District Court, FINS Fund are funded by a legislative appropriation administered by the Office of Community Services and certain other state and federal funds as provided by various grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements 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.

B. Financial Reporting Entity - GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the District includes all funds, account groups, et cetera, that are within the oversight responsibility of the District judges as independently elected officials. As independently elected officials, the district judges are solely responsible for the operations of the district court, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the District that are paid by the State of Louisiana and the parish police jury as required by Louisiana law, the District is financially independent. Accordingly, the District is a separate governmental reporting entity.

Certain units of local government over which the District exercises no oversight

responsibility, such as the parish police jury, parish school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District.

C. Fund Accounting - The District uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, 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.

Both Funds of the District are classified as governmental funds. The Judicial Expense Fund is the principal fund for the district and accounts for its financial operations. Civil fees or court costs collected by the clerks of court and the sheriffs of Catahoula and Concordia Parishes are accounted for in this fund. General operating expenditures are paid from this fund.

The FINS Fund is classified as a governmental fund. Certain legislative appropriations and other grants are accounted for in this fund. General operating expenditures of the program are paid from this fund.

D. Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Funds 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 operating statement of the Funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the Funds. The Funds use the following practices in recording revenues and expenditures:

Revenues

Court fees (criminal and civil) are recorded when earned and available.

Appropriations and grants are recorded when earned and available.

Interest income on time deposits is recorded when the deposits have matured and the interest is available.

All other revenues are recognized when received.

Expenditures

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

E. Encumbrances - Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed in the District's accounting system.

F. Cash and Cash Equivalents - Cash includes amounts in demand deposits accounts and cash equivalents include amounts in time deposits. Time deposits are stated at cost. Under state law, the District 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.

G. Fixed Assets - Fixed assets are recorded as expenditures at the time purchased or constructed and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. Compensated Absences/Pensions - The Catahoula and Concordia Parish Police Juries pay salaries and employer contributions for the employees of the District. The District pays only a small supplemental pay and part-time employee expenses. Therefore, the District has no reportable compensated absences or pension costs.

The Concordia Parish Sheriff's Office pay salaries and employer contributions for the employees of the FINS Fund and are reimbursed monthly by the fund for such employee expenses. Therefore, the FINS Fund has no reportable compensated absences or pension costs.

I. Total Column on Balance Sheet - The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2003, the Funds had cash and cash equivalents (book balances) totaling \$21,851, as follows:

Demand deposits	\$ 8,251
Time deposits	<u>13,600</u>
Total	<u>\$21,851</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2003, the District had

\$33,467 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

NOTE 4 - RECEIVABLES

The following is a summary of receivables at December 31, 2003:

<u>Class of Receivable</u>	<u>Judicial Expense Fund</u>	<u>FINS Fund</u>
Criminal and civil fees	\$ 4,225	
Bond fees	1,031	
State funds - FINS program		\$2,962
Other	<u>467</u>	<u> </u>
Total	<u>\$ 5,723</u>	<u>\$2,962</u>

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

Additions to the general fixed assets are as follows:

	<u>Judicial Expense Fund</u>	<u>FINS Fund</u>
Balance, January 1, 2003	\$52,248	\$8,472
Additions: Office furniture & equipment at historical cost	<u>8,472</u>	<u> </u>
Balance, December 31, 2003	<u>\$60,720</u>	<u>\$8,472</u>

**NOTE 6 - RECONCILIATION OF REVENUES AND EXPENDITURES WITH
RECEIPTS AND DISBURSEMENTS**

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The FINS Fund did not prepare a budget. The following reconciles the excess (deficiency) of revenues and other sources over expenditures and other uses for the Judicial Expense Fund are as follows:

Excess (deficit) of revenues over expenditures (Page 3)	(\$1,522)
Adjustments for:	
Change in accounts receivable (net)	(2,416)
Change in accounts payable (net)	<u>72</u>
Excess (deficit) of receipts over disbursements (Page 4)	<u>(\$3,866)</u>

NOTE 7 - EXPENDITURES OF THE DISTRICT NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District paid by the Catahoula and Concordia Parish Police Juries, Concordia Sheriff's Office or directly by the state. The Catahoula and Concordia Parish Police Juries pay certain salaries and employer contributions of secretarial personnel. The Concordia Parish Sheriff's office pays certain salaries and employer contributions of FINS personnel.

NOTE 8 - LITIGATION

The District is not involved in any litigation at December 31, 2003.

SECTION II
REPORT ON INTERNAL CONTROL
AND COMPLIANCE WITH LAWS AND REGULATIONS

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

Honorable Leo Boothe, Judge
Honorable Kathy Johnson, Judge
Judicial Expense Fund for the Seventh
Judicial District Court
Vidalia, Louisiana

I have audited the financial statements of the Judicial Expense Fund for the Seventh Judicial District Court and the Families in Need of Services (FINS) Fund as of December 31, 2003, and for the year then ended, and have issued my report thereon dated June 25, 2004. I conducted my 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

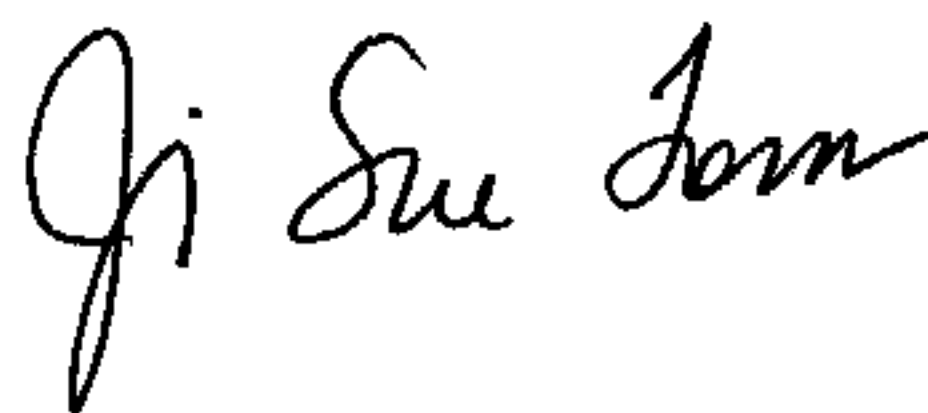
As part of obtaining reasonable assurance about whether the Expense Fund and FINS Fund's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Expense Fund and FINS Fund's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level

the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to read "Ji Sue Lam". The signature is written in a cursive style with a large initial "J".

Ferriday, Louisiana
June 25, 2004