

RECEIVED
LEGISLATIVE AUD
04 JUN 28 AM 11:

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE FUND
and
INDIGENT TRANSCRIPT FUND
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 7-14-04

Arthur D. Matte
Certified Public Accountant

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

Judicial Expense Fund and Indigent Transcript Fund

Financial Statements
With Supplemental Information Schedules
December 31, 2003

T A B L E O F C O N T E N T S

	Page
Independent Auditor's Report	2
General Purpose Financial Statements:	
Combined Balance Sheet, All Fund Types and Account Groups	3
Combined Statements of Revenues, Expenditures, and Changes in Fund Balances	4
Combined Statements of Revenues, Expenditures, and Changes in Fund Balances- Budget(GAAP Basis) and Actual	5
Notes to the Financial Statements	6-11
Supplemental Information Schedules:	12
Combining Balance Sheet	13
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	14
Other Reports Required by Governmental Auditing Standards:	15
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on a Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16-17
Schedule of Findings and Questioned Costs	18-21
Management's Corrective Action Plan for Current Year Audit Findings	22-23

Arthur D. Matte
Certified Public Accountant
717 North Main Street
Jennings, LA 70546
(337) 824-0188

Honorable Wendell R. Miller, Judge
Thirty-First Judicial District Court
Jennings, Louisiana

I have audited the accompanying general purpose financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 2003, and for the year then ended. These general purpose financial statements are the responsibility of the Thirty-First Judicial District Court's management. My responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Judicial Expense and Indigent Transcript Funds of the Thirty-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*, I have also issued my report dated June 17, 2004, on my consideration of Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court'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.



Arthur D. Matte
Certified Public Accountant

Jennings, LA
June 17, 2004

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2003

	Governmental Fund Type	Account Group	Total (Memorandum Only)
	General Funds	General Fixed Assets	
ASSETS			
Cash and cash equivalents	\$ 206,111	\$ -	\$ 206,111
Receivables:			
Due from others	44	-	44
Due from other governments-fees & fines	10,300	-	10,300
Fixed assets	-	88,014	88,014
TOTAL ASSETS	\$ 216,455	\$ 88,014	\$ 304,469
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	839	-	839
Payroll taxes payable	\$ 1,902	\$ -	\$ 1,902
Total Liabilities	2,741	-	2,741
Equity and Other Credits			
Investment in general fixed assets	-	88,014	88,014
Fund Balance:			
Unreserved-undesignated	213,714	-	213,714
Total Equity and Other Credits	213,714	88,014	301,728
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 216,455	\$ 88,014	\$ 304,469

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>General Funds</u>
REVENUES	
Fees and fines	\$ 118,601
Intergovernmental	26,707
Total Revenues	<u>145,308</u>
EXPENDITURES	
Current:	
Personal services:	
Salaries and wages	7,400
Payroll taxes	221
Retirement contributions	557
Operating services:	
Telephone	7,790
Rentals	2,272
Repairs and maintenance	4,307
Professional services	17,722
Materials and supplies:	
Office supplies	10,692
Library and subscriptions	18,477
Travel and other charges:	
Travel and seminars	7,122
Jury meals	516
Capital outlay	46,879
Total Expenditures	<u>123,955</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	21,353
FUND BALANCE AT BEGINNING OF PERIOD	192,361
FUND BALANCE AT END OF PERIOD	<u>\$ 213,714</u>

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - Budget (GAAP Basis) and Actual
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Fees and fines	120,000	118,601	(1,399)
Intergovernmental	\$ -	\$ 26,707	\$ 26,707
Total Revenues	120,000	145,308	25,308
EXPENDITURES			
Current:			
Personal services:			
Salaries and wages	2,000	7,400	(5,400)
Payroll taxes	-	221	(221)
Retirement contributions	-	557	(557)
Operating services:			
Telephone	4,000	7,790	(3,790)
Rentals	1,000	2,272	(1,272)
Repairs and maintenance	-	4,307	(4,307)
Professional services	33,000	17,722	15,278
Materials and supplies:			
Office supplies	10,400	10,692	(292)
Library and subscriptions	3,500	18,477	(14,977)
Travel and other charges:			
Travel and seminars	5,300	7,122	(1,822)
Jury meals	900	516	384
Capital outlay	40,000	46,879	(6,879)
Total Expenditures	100,100	123,955	(23,855)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	19,900	21,353	1,453
FUND BALANCE AT BEGINNING OF PERIOD	-	192,361	192,361
FUND BALANCE AT END OF PERIOD	\$ 19,900	\$ 213,714	\$ 193,814

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2003

Notes to the Financial Statements

INTRODUCTION

The Thirty-First Judicial District Court Indigent Transcript Fund and Judicial Expense Funds were created pursuant to LSA-RS 13:985, 985.1 and 996.58. The Indigent Transcript Fund and Judicial Expense Fund were established to deposit fines and fees collected under the provisions of these sections. The purpose of these funds is to pay the salary of the District Court reporter, administrative costs, or other expenses allowed by statute as deemed necessary by the district judge.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Thirty-First Judicial District Court Judicial Expense and Indigent Transcript Fund have been prepared in conformity with U.S. 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. REPORTING ENTITY

The Judge of the Thirty-First Judicial District Court is an independently elected official; however, the Court is fiscally dependent on the Jefferson Davis Parish Police Jury. The Police Jury maintains and operates the parish court house in which the Court is located and provides funds for equipment and furniture of the office. Because the Court is fiscally dependent on the Police Jury, the Court was determined to be a component unit of the Jefferson Davis parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the Judicial Expense and Indigent Transcript Funds maintained by the Judge relative to his responsibility under LSA-RS 13:985, 985.1, and 996.58 and do not present information on the Criminal Court Fund or on the Police Jury or the general governmental services provided by that governmental unit that comprises the financial reporting entity.

C. FUND ACCOUNTING

The Thirty-First Judicial District Court uses funds and account groups 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.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
December 31, 2003
Notes to the Financial Statements

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.

The Indigent Transcript Fund and Judicial Expense Fund are classified as governmental funds in the accompanying financial presentation. General funds account for all financial activities, including acquisition of general fixed assets, except for those, required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

Revenues

Fines and fees are recognized when an enforceable legal claim to the assets arises or when resources are received, whichever occurs first.

Expenditures

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

E. BUDGETS

Pursuant to the Louisiana Local Government Budget Act (LSA-RS 39: 1301-1314) the district judge is required to prepare and adopt an annual budget for the Indigent Transcript Fund and the Judicial Expense Fund. The operating budgets include proposed expenditures and the means of financing them. All budget appropriations lapse at year-end. The District Judge adopted the budget for the Indigent Transcript Fund and the Judicial Expense Fund on January 1, 2003.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2003

Notes to the Financial Statements

F. ENCUMBRANCES

The Indigent Transcript Fund and the Judicial Expense Fund do not utilize encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the Thirty-First Judicial District Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

2. CASH AND CASH EQUIVALENTS

At December 31, 2003 the Thirty-First Judicial District Court Expense Funds had cash and cash equivalents (book balances) totaling \$ 206,111 as follows:

Demand deposits	\$	206,111
-----------------	----	---------

These deposits are stated at cost, which approximates market. Under state law, these deposits 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Thirty-First Judicial District Court had \$206,111 in deposits (collected bank balances). These deposits are secured from risk by \$186,830 of federal deposit insurance and \$19,281 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
December 31, 2003

Notes to the Financial Statements

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Thirty-First Judicial District Court that the fiscal agent has failed to pay deposited funds upon demand.

3. CHANGES IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>Jan 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Adjustments</u>	<u>Balance Dec.</u> <u>31, 2003</u>
Improvements	\$ 14,393	\$ 9,872	\$ 0	\$ 0	\$ 24,265
Equipment and furniture	<u>26,742</u>	<u>37,007</u>	<u>0</u>	<u>0</u>	<u>63,749</u>
	<u>\$ 41,135</u>	<u>\$ 46,879</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 88,014</u>

4. EXPENDITURES-ACTUAL AND BUDGET

The Judicial Expense Fund actual expenditures exceeded budgeted expenditures as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable</u> <u>Variance</u>
	\$ 100,100	\$ 123,955	\$ 23,855

Unfavorable variance in expenditures was funded by favorable variance in revenues of \$25,308.

5. PENSION PLAN

Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description. Substantially all employees, exclusive of the District Judge, of the District Court are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Court are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of

THIRTY-FIRST JUDICIAL DISTRICT COURT

Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2003

Notes to the Financial Statements

creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 5.5% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Court's contributions to the System under Plan A for the years ending December 31, 2003, and 2002 were \$297, and \$275, respectively, equal to the required contributions for the year.

Louisiana State Employees' Retirement System (LASERS)

Plan Description. The District Judge is a member of the Louisiana State Employees' Retirement System (LASERS), a cost sharing, multiple-employer defined benefits pension plan administered by a separate board of trustees. The system was established and provided for within Title 11, Subtitle II, Chapter 1, of the Louisiana Revised Statutes. Benefit provisions are authorized within LRS 11:441-501.

Those employees considered eligible for membership in LASERS include all state employees except those specifically excluded by statute and are eligible immediately upon employment. Members are vested after 10 years of services.

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
December 31, 2003

Notes to the Financial Statements

of service at any age, with an actuarially reduced benefit. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable at a rate of 2.5% of the average of the highest three consecutive years of compensation, multiplied by the number of years of creditable service. Once an employee has accumulated 10 years of service, disability benefits apply based on the regular benefit formula without age restrictions.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

Funding Policy. The vast majority of state employees contribute 7.5% of their salaries. Exceptions include judges, court officers, the governor, lieutenant governor, and legislators, who contribute 11.5% of their respective salaries; the clerk of the House of Representatives, and secretary of the Senate who contribute 9.5% of their salaries; certain Department of Corrections employees, who contribute 9.0%; and certain employees of the Department of Wildlife and Fisheries and Bridge Police employees, who contribute 8.5% of their salaries. The employers of each group listed, including the District Court, contributed 13% of the employees' salaries toward future benefits for fiscal year 2003. The District Court's contribution to the System for the years ending December 31, 2003 and 2002 were \$260, and \$195, respectively, equal to the required contributions for the year.

SUPPLEMENTAL INFORMATION SCHEDULES

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2003

	<u>Indigent Transcript Fund</u>	<u>Judicial Expense Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 119,281	\$ 86,830	\$ 206,111
Receivables:			
Due from others	-	44	44
Due from other governments-fees & fines	4,580	5,720	10,300
TOTAL ASSETS	\$ <u>123,861</u>	\$ <u>92,594</u>	\$ <u>216,455</u>
 LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts Payable	\$ -	\$ 839	\$ 839
Payroll taxes payable	918	984	1,902
Total Liabilities	<u>918</u>	<u>1,823</u>	<u>2,741</u>
 Equity and Other Credits			
Fund Balance:			
Unreserved-undesignated	122,943	90,771	213,714
Total Equity and Other Credits	<u>122,943</u>	<u>90,771</u>	<u>213,714</u>
 TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	 \$ <u>123,861</u>	 \$ <u>92,594</u>	 \$ <u>216,455</u>

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31,2003

	<u>Indigent Transcript Fund</u>	<u>Judicial Expense Fund</u>	<u>Total</u>
REVENUES			
Fees and fines	52,137	66,464	118,601
Intergovernmental	\$ -	\$ 26,707	\$ 26,707
Total Revenue	<u>52,137</u>	<u>93,171</u>	<u>145,308</u>
EXPENDITURES			
Current:			
Personal services:			
Salaries and wages	2,000	5,400	7,400
Payroll taxes	29	192	221
Retirement contributions	260	297	557
Operating services:			
Telephone	-	7,790	7,790
Rentals	-	2,272	2,272
Repairs and maintenance	-	4,307	4,307
Professional services	15,033	2,689	17,722
Materials and supplies:			
Office supplies	-	10,692	10,692
Library and subscriptions	-	18,477	18,477
Travel and other charges:			
Travel and seminars	-	7,122	7,122
Jury meals	-	516	516
Capital outlay	-	46,879	46,879
Total Expenditures	<u>17,322</u>	<u>106,633</u>	<u>123,955</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES			
	34,815	(13,462)	21,353
FUND BALANCE AT BEGINNING OF PERIOD			
	88,128	104,233	192,361
FUND BALANCE AT END OF PERIOD			
	<u>\$ 122,943</u>	<u>\$ 90,771</u>	<u>\$ 213,714</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

**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 AUDITING STANDARDS**

Honorable Wendell R. Miller, Judge
Thirty-First Judicial District Court
Jennings, Louisiana

I have audited the general purpose financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 2003 and for the year then ended and have issued my report thereon dated June 17, 2003. 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 Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2003-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court'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. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2003-1.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the district judge, management, others within this organization and the Louisiana Legislative Audit Advisory Council and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Arthur D. Matte
Certified Public Accountant

Jennings, LA
June 17, 2004

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2003

SECTION I – SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report, dated June 17, 2003, on the general purpose financial statements of the Thirty-First Judicial District Court Judicial Expense and Indigent Transcript Funds, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 2003, expresses an unqualified opinion.
2. One reportable condition disclosed during the audit of the financial statements was reported in the Independent Auditor’s Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards. This finding, finding 2003-1 was not reported as a material weakness.
3. Instances of noncompliance not material to the financial statements were disclosed during the audit and are reported as finding 2003-2.
4. Auditee did not have federal award programs during the period under audit. Therefore, no reportable conditions were disclosed during the audit of internal controls over major federal award programs.
5. Auditee did not have federal award programs during the period under audit. Therefore, the auditor did not issue a report on compliance for major federal award programs.
6. Auditee did not have federal award programs during the period under audit. Therefore there are no findings relative to major federal award programs in this Schedule.
7. A management letter was not issued.
8. Auditee did not have federal award programs during the period under audit. Therefore, this Schedule does not contain a list of major programs tested.
9. The threshold used for distinguishing between Type A and B programs was: Not applicable.
10. Is auditee a “low-risk” auditee, as defined by OMB Circular A-133? : Not applicable.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL TO THE FINANCIAL STATEMENTS

Reportable Conditions – Current Year Findings:

Finding 2003-1: Internal Controls Over Cash Disbursements

Condition: During review of cash disbursements it was noted that vendors were being paid without invoices or any other form of substantiation to support the expenditure.

Cause of Condition: Personnel in charge of making cash disbursements appear to be paying vendors without proper documentation such as an invoice.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2003

Effect of Condition: For the year ended December 31, 2003, a total of \$237.50 was paid to vendors for which no original invoices supported the amounts.

Recommendation: Personnel in charge of payment should pay by original invoice only. Since the Judge signs all checks, he should review the attached substantiation carefully to determine that complete original invoices substantiate all payments being made.

Auditee Response: The Judge agreed with the recommendation and further stated that he will first review and approve the invoice prior to the disbursement check being prepared.

Compliance – Current Year Findings:

Finding 2003-2: Travel Reimbursements Documentation

Condition: A review of cash disbursements paid out of the Judicial Expense Fund (JEF) disclosed expenditures that appear to be unsubstantiated and duplicated.

Cause of Condition: Review of payments made for travel during 2003 disclosed the following findings:

Expenditure 1 – No documentation to substantiate the payment of Per Diem in excess of Federal approved rates for one day in the amount of \$103.00 to attend the Pro Se Task Force Meeting held in New Orleans. Total estimated questioned costs for travel advance paid on February 6, 2003 equals \$103.00.

Expenditure 2 – No documentation to substantiate the payment of Per Diem in excess of Federal approved rates for 5 days in the amount of \$515.00 to attend the 2003 Evidence and Procedures seminar held in New Orleans. Of the above Per Diem paid by the JEF, the Judicial Administrator reimbursed \$344.34. Total estimated questioned costs for travel advance paid on February 26, 2003 equals \$170.66.

Expenditure 3 – No documentation to substantiate the payment of Per Diem in excess of Federal approved for 2 days in the amount of \$206.00 to attend the 2003 Annual Spring Conference For Judges seminar held in Lafayette. Total estimated questioned costs for travel advance paid on March 20, 2003 equals \$206.00.

Expenditure 4 – No documentation to substantiate the payment of Per Diem in excess of Federal approved for 1 day in the amount of \$103.00 to attend the Pro Se Task Force Meeting held in Baton Rouge. Total estimated questioned costs for travel advance paid on May 13, 2003 equals \$103.00.

THIRTY-FIRST JUDICIAL DISTRICT COURT

Jennings, Louisiana

**JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2003

Total estimated questioned costs regarding this finding \$582.66.

Effect of Condition: Payments for unsubstantiated Per Diems in excess of Federal approved rates may be in noncompliance with Article VII, Section 14 of the 1974 Louisiana Constitution, which prohibits property or things of value from being loaned, pledged, or granted to anyone. This section also prohibits bonuses and/or advance wages or salaries to employees. In addition, some of the aforementioned payments, if treated as additional salary or compensation to the Judge, would be in noncompliance of enabling legislation, which created this Judicial Expense Fund. Pursuant to LRS 13:996.58 (D) payments of salaries to the Judge from the Judicial Expense Fund are prohibited except for administration of said fund and then only with prior written legislative approval. The financial statements for the year ending December 31, 2003, have not been adjusted to take into account any funds, which may be owed to the Judicial Expense Fund by the Judge concerning this finding.

Recommendation: It is recommended that the use of advance Per Diem payments should be discontinued. Instead of issuing advance Per Diems it is recommended that detail invoices should be submitted for reimbursement after returning from travels.

Auditee Response: The Judge stated that although there is incomplete substantiation for the above expenditures, he feels the amounts are reasonable considering the locations traveled to. Furthermore, as of October 2003 the Judicial Expense Fund no longer paid any advanced Per Diem and has implemented the recommendations as outlined above and on June 22, 2004 the Judge repaid the total questioned costs in the amount of \$582.66.

Reportable Conditions – Prior Year Findings From the Audit conducted by Mike B. Gillespie, CPA:

Finding 2002-1: Internal Controls Over Cash Disbursements

Condition: During review of accounts payable it was noted that at least two vendors were overpaid during 2002.

Recommendation: Personnel in charge of preparing bills for payment should pay by original invoice only, and should not pay vendors based solely on statement balances unless original invoices are attached and reconciled to statement prior to issuance of check payments. Since the Judge signs all checks, he should review the attached substantiation carefully to determine that original invoices substantiate all payments being made.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2003

Current Status: Although no duplicate payments appeared to have been made during 2003, there were two instances of payments made to vendors without invoices present to substantiate the expenditure. (See 2003-1 above)

Finding 2002-2: Travel Reimbursements Documentation

Condition: A review of travel expenses paid out of the Judicial Expense Fund (JEF) disclosed expenditures which appear to be unsubstantiated, duplicated reimbursements for expenditures paid, lavish and excessive, and in some instances payments for travel expenses unrelated to Court business.

Recommendation: I recommend that the use of advance Per Diem payments should be discontinued. Instead of issuing advance Per Diems it is recommended that detail invoices should be submitted for reimbursement after returning from travels. Use of hotels, auto rentals, and other expenses not associated with Court business should not be paid out of the Judicial Expense Fund. The Judge should consider repaying the Judicial Expense Fund any amounts considered unsubstantiated, duplicated, or not used for Court business.

Current Status: As of October 2003 the above recommendation has been implemented.

Finding 2002-3: Non-Compliance Concerning Payroll Withholdings

Condition: During a review of payroll expenditures it was noted that the Judge's former secretary, Heather L. Viator, was overpaid \$323.75.

Recommendation: As of the date of this finding, Ms. Viator is no longer employed by the Judge's office. A letter should be submitted to Ms. Viator notifying her that she was overpaid and that she must repay the Judicial Expense Fund \$323.75.

Current Status: Several attempts have been made to have Ms Viator reimburse the JEF, but to date there has been no response from her on this matter.

SECTION III – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL TO MAJOR FEDERAL AWARDS

Not applicable

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDUGENT TRANSCRIPT FUNDS

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2003**

**SECTION I – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL TO THE
FINANCIAL STATEMENTS**

Reportable Conditions – Current Year Findings:

Finding 2003-1: Internal Controls Over Cash Disbursements

Recommendation: Personnel in charge of payment should pay by original invoice only. Since the Judge signs all checks, he should review the attached substantiation carefully to determine that original invoices substantiate all payments being made.

Action Taken: A payment voucher system will be implemented requiring the Judge's approval on all invoices prior to payment being initiated.

Compliance – Current Year Findings:

Finding 2002-2: Travel Reimbursements Documentation

Recommendation: I recommend that the use of advance Per Diem payments should be discontinued. Instead of issuing advance Per Diems it is recommended that detail invoices should be submitted for reimbursement after returning from travels.

Action Taken: As of October 2003 all travel expense payments are being made only with supporting invoices and on June 22, 2004 the Judge repaid the questioned costs in the amount of \$582.66.

Reportable Conditions – Prior Year Findings:

No findings requiring action.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL TO
MAJOR FEDERAL AWARDS**

Not applicable.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDUGENT TRANSCRIPT FUNDS

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2003**

This Corrective Action Plan has been prepared by management. Any questions regarding this plan should be directed to Judge Wendell R. Miller at (337) 824-3506