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PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA
ASCENSION PARISH

INDEPENDENT AUDITORS' REPORT ON
GENERAL PURPOSE FINANCIAL STATEMENTS
AND COMPLIANCE AND INTERNAL CONTROLS
JUNE 30, 2004

THE HONORABLE MARILYN LAMBERT, JUDGE

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 2-2-05

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

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GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

The Honorable Marilyn Lambert, Judge
Ascension Parish Court
Judicial Expense Fund
828 South Irma Blvd., Bldg. 2
Gonzales, Louisiana 70737

We have audited the accompanying financial statements of the governmental activities of the Parish Court for the Parish of Ascension, Judicial Expense Fund (a component unit of the Ascension Parish Council), as of June 30, 2004, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the management of the Judicial Expense Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parish Court for the Parish of Ascension, Judicial Expense Fund, as of June 30, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

Independent Auditors' Report
Page Two

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules, as listed in the table of content, are presented for purposes of additional analysis and are not a required part of the financial statements of the Judicial Expense Fund. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The required supplemental information, as listed in the table of contents, is not a required part of the financial statements, but is supplementary information required by the *Governmental Accounting Standards Board*. This required supplemental information is the responsibility of the management of the Judicial Expense Fund. We have applied certain limited procedures, which consisted principally 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2004 on our consideration of the Judicial Expense Fund's internal control over financial reporting and our tests of its compliance with certain 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.

Ferriday, Louisiana
December 11, 2004

Switzer, Hopkins & Mangle

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2004

Managements' discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the Judicial Expense Fund based on currently known facts, decisions and/or conditions.

Financial Statement Presentation

The annual financial report consists of four parts – (1) managements' discussion and analysis, (2) general-purpose financial statements including note disclosures, (3) required supplemental information and (4) supplemental information. There are two types of statements presented in the financial statement section.

The government-wide financial statements present financial information for all activities of the Ascension Parish Court, Judicial Expense Fund from an economic resource measurement focus using the accrual basis of accounting. They are designed to present governmental activities separately from business-type activities.

Fund financial statements, however, present financial information for governmental activities using a current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes current assets and liabilities and present increases and decreases in net current assets.

Other differences between these two presentations are presented in Note 1. There is also a reconciliation between the government-wide financial statements and the fund financial statements for governmental activities presented in the fund financial statements.

Financial Analysis

The Ascension Parish Court, Judicial Expense Fund's combined net assets as of June 30, 2004 and 2003 were:

	<u>2004</u>	<u>2003</u>
Invested in capital assets, net of related debt	\$ 40,467	\$ 29,763
Unrestricted	<u>135,313</u>	<u>219,542</u>
Total Net Assets	<u>\$175,780</u>	<u>\$249,305</u>

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

MANAGEMENTS' DISCUSSION & ANALYSIS
 JUNE 30, 2004

The following is a summary of other pertinent financial data:

	June 30,	
	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 127,722	\$ 208,415
Revenues from fines and Court costs	\$ 164,038	\$ 165,542
Interest earned	\$ 935	\$ 1,962
Expenditures	\$ 249,202	\$ 175,450
Excess of expenditures over revenues	\$ 84,229	\$ 7,946

Budgetary Highlights

Revenues for the year exceeded anticipated revenues by \$4,227 in the General Fund and fell short by \$3,454 in the Special Revenue Fund. However, actual expenditures were \$2,003 less than budgeted in the General Fund and \$2,405 more than budgeted in the Special Revenue Fund. Legal and professional fees exceeded budgetary amounts by \$16,201 primarily due to a cost sharing arrangement with the District Judges regarding the salary of the newly hired Hearing Officer.

Capital Asset and Debt Administration

The Ascension Parish Court, Judicial Expense Fund has no long-term debt.

A summary of capital assets at June 30, 2004 and 2003, is as follows:

	<u>2004</u>	<u>2003</u>
Furniture and fixtures	\$ 103,889	\$ 93,893
Equipment	<u>60,562</u>	<u>36,783</u>
Sub-total	164,451	130,676
Accumulated depreciation	(<u>123,984</u>)	(<u>100,913</u>)
Net Capital Assets	<u>\$ 40,467</u>	<u>\$ 29,763</u>

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2004

Request for Additional Information

A copy of this report or additional information can be obtained by writing or contacting Lesley LeBlanc at the Parish Court for the Parish of Ascension, Judicial Expense Fund, 828 South Irma Blvd., Bldg. 2, Gonzales, Louisiana 70737.

GOVERNMENT – WIDE FINANCIAL STATEMENTS

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

GOVERNMENT-WIDE STATEMENT OF NET ASSETS
AS OF JUNE 30, 2004

	<u>2004</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 127,722
Fines and forfeitures receivable	9,522
Prepaid expenses	<u>309</u>
Total Current Assets	<u>137,553</u>
Non-current Assets	
Capital assets, net of accumulated depreciation	<u>40,467</u>
Total Assets	<u>178,020</u>
 <u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	1,276
Payroll taxes payable	<u>964</u>
Total Current Liabilities	<u>2,240</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	40,467
Unrestricted	<u>135,313</u>
Total Net Assets	<u>175,780</u>
Total Liabilities and Net Assets	<u>\$ 178,020</u>

The accompanying notes are an integral part of this statement

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2004

<u>Functions/Programs</u>	Program Revenues			Net Revenues (Expenses)		
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities						
Office Administration	\$ 216,593	\$ -	\$ -	\$ (65,331)	\$ -	\$ (65,331)
Litter Program	21,905	12,776	-	(9,129)	-	(9,129)
Total Primary Government	\$ 238,498	\$ -	\$ -	(74,460)	-	(74,460)
General Revenues						
Interest earnings				935	-	935
Change in Net Assets				(73,525)	-	(73,525)
Net Assets, beginning				249,305	-	249,305
Net Assets, ending				\$ 175,780	\$ -	\$ 175,780

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENTS

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2004

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and cash equivalents	\$ 117,184	\$ 10,538	\$ 127,722
Fines and forfeitures receivable	9,522		9,522
Prepaid expenses	<u>309</u>		<u>309</u>
 TOTAL ASSETS	 <u>127,015</u>	 <u>10,538</u>	 <u>137,553</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	1,276		1,276
Payroll taxes payable	<u>964</u>		<u>964</u>
Total Liabilities	<u>2,240</u>		<u>2,240</u>
 Fund Balances:			
Unrestricted	<u>124,775</u>	<u>10,538</u>	<u>135,313</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 127,015</u>	 <u>\$ 10,538</u>	 <u>\$ 137,553</u>

The accompanying notes are an integral part of this statement

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 JUNE 30, 2004

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
Fund Balances- Governmental Funds	\$ 124,775	\$ 10,538	\$ 135,313
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>			
<p>Capital assets used in governmental Activities are not current financial Resources and, therefore, are not Reported in the Governmental Funds Balance Sheet. This is the capital Assets, net of accumulated Depreciation, reported on the Statement of Net Assets</p>	<u>40,467</u>	<u>-0-</u>	<u>40,467</u>
Net Assets – Governmental Activities	\$ 165,242	\$ 10,538	\$ 175,780

The accompanying notes are an integral part of this statement

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
	-----	-----	-----
<u>REVENUES</u>			
Fines and forfeitures	\$ 151,262	\$ 12,776	\$ 164,038
Interest earned	<u>865</u>	<u>70</u>	<u>935</u>
Total Revenues	<u>152,127</u>	<u>12,846</u>	<u>164,973</u>
<u>EXPENDITURES</u>			
Ad hoc judge expenses	3,975		3,975
Salaries	103,339		103,339
Contract labor		17,805	17,805
Automobile	4,688		4,688
Conference, seminars & meetings	10,435		10,435
Capital outlay	33,775		33,775
Office expense	9,825	2,105	11,930
Other	8,701		8,701
Professional services	5,295	1,995	7,290
Professional services – Court	16,906		16,906
Retirement expense	6,341		6,341
Insurance	5,637		5,637
Taxes	7,077		7,077
Utilities and telephone	<u>11,303</u>	-----	<u>11,303</u>
Total Expenditures	<u>227,297</u>	<u>21,905</u>	<u>249,202</u>
EXCESS (Deficit) OF REVENUES OVER EXPENDITURES	(75,170)	(9,059)	(84,229)
FUND BALANCE AT BEGINNING OF YEAR	<u>199,945</u>	<u>19,597</u>	<u>219,542</u>
FUND BALANCE AT END OF YEAR	<u>\$ 124,775</u>	<u>\$ 10,538</u>	<u>\$ 135,313</u>

The accompanying notes are an integral part of this statement

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
 STATEMENT OF ACTIVITIES
 JUNE 30, 2004

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
Change in Fund Balances -- Total Governmental Funds	\$(75,170)	\$(9,059)	\$(84,229)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, in the Statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation charged in the current period.</p>			
	<u>10,704</u>	_____	<u>10,704</u>
Change in Net Assets -- Governmental Activities	<u>\$(64,466)</u>	<u>\$(9,059)</u>	<u>\$(73,525)</u>

The accompanying notes are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

INTRODUCTION

The Parish Court for the Parish of Ascension was established January 3, 1977 under the provision of Section 2563 of Title 13 of the Louisiana Revised Statutes. The boundary of the court is the entire Parish of Ascension, including municipalities. The statute provides for establishment of a Judicial Expense Fund for the operations of the court from costs, not to exceed \$5.00, (\$15.00 effective 8/21/92) imposed on all pleas before the court. The Clerk of Court of Ascension Parish is designated custodian of the funds, which are to be disbursed only upon orders of the Judge of the Parish Court, for purposes related to the proper administration of the court. However, no salary shall be paid from the Judicial Expense Fund to the Judge, except to the Judge appointed temporarily under the provisions of Revised Statute 13:2563.9. However, effective as of June 2001, R.S. 13:2563.5 (B)(5) permits the fund to supplement the Judge's salary with an amount necessary to bring the Judge's salary, which is paid by the municipalities of the parish, in line with the District Court Judge of the judicial district in which the parish court is located. This fund is in addition to other monies provided by law for such purposes. The Judge shall be elected by the qualified electors of the Parish of Ascension. In prior years, an advance deposit fund for civil and criminal funds was maintained; this function has been transferred to the Clerk of Court of Ascension Parish.

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES

The accounting and reporting practice of the Ascension Parish Court Judicial Expense Fund (herein after referred to as the Judicial Expense Fund) conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of La. Revised Statute §24:517 and to the guidelines set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: This report includes all funds that are controlled by or dependent on the Ascension Parish Court. Control by or dependence on the Ascension Parish Court was determined on the basis of oversight responsibility, including accountability for fiscal and budgetary matters, designation of management or governing authority and authority to issue debt. Based on this, it has been determined that there are no other governmental organizations which should be included in the accompanying financial statements. The Judicial Expense Fund, however, is included in the annual financial report of the Ascension Parish Council.

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Government-wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the Judicial Expense Fund has presented a Statement of Net Assets and Statement of Activities for the Judicial Expense Fund as a whole. These statements include the Judicial Expense Fund and its component units, if applicable, with the exception of fiduciary funds. Those funds, if any, are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity. Government-wide statements distinguish between governmental and business-type activities.

Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

PARISH COURT FOR THE PARISH OF ASCENSION
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STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost or estimated cost where historical cost is unavailable and are depreciated using the straight-line or modified accelerated recovery cost system methods of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets.

Using the requirements of GASB Statement No. 34, the Judicial Expense Fund is considered a Phase 3 government as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Judicial Expense Fund has opted not to retroactively report these types of capital assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Judicial Expense Fund. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Judicial Expense Fund has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The Judicial Expense Fund recognizes the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

Fund Accounting: The Judicial Expense Fund uses funds 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 entity with a self-balancing set of accounts. Funds of the Judicial Expense Fund fall within one category: governmental. In this category, the Judicial Expense Fund has two fund types. The fund classifications and a description of existing fund types follows:

Governmental Funds: Governmental funds account for all or most of the Judicial Expense Fund's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – is the general operating fund of the Judicial Expense Fund which 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 designated for specific purposes.

Basis of Accounting/Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by the type of its financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

PARISH COURT FOR THE PARISH OF ASCENSION
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

All governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting in the fund financial statements. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgetary Practices: Prior to the beginning of the fiscal year, the Judge for the Ascension Parish Court, Judicial Expense Fund, prepares and adopts a budget for the ensuing fiscal year. The budget is maintained in the offices of the Judicial Expense Fund and is available for public inspection during normal office hours. Any amendments to the budget deemed appropriate by the Judge are approved and maintained in the same manner as the original budget.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

Receivables: Receivables are recorded net of any allowance for uncollectible amounts. Revenues become susceptible to accrual when they become both measurable and available.

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

PARISH COURT FOR THE PARISH OF ASCENSION
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Capital Assets: The Judicial Expense Fund's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are valued at their estimated fair value on the date of donation. All asset purchases in excess of \$500 are capitalized. However, assets with a cost of less than \$500 may be capitalized at the discretion of the Judge if the nature of the item indicates that tracking of such is beneficial to the Judicial Expense Fund.

Depreciation is recorded using the straight line method over the estimated useful lives of the assets as follows:

Office furniture	5-10 years
Equipment	4-10 years
Leasehold Improvements	5-10 years

Net Assets/Fund Balances: In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriated for expenditures or legally segregated for a specific future use in the Balance Sheet of governmental funds, fund balances are segregated as follows:

PARISH COURT FOR THE PARISH OF ASCENSION
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Cash and cash equivalents on hand at June 30, 2004, are as follows:

	<u>Governmental Activities</u>
Interest-bearing demand deposit	\$ 127,722

These deposits are stated at cost, which approximates market. Under state law, they 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 or exceed 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 June 30, 2004 the Judicial Expense Fund had \$127,722 on deposits in local banks. These deposits are secured from risk by \$110,538 of federal deposit insurance and the remainder by pledge of federal securities.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 is as follows:

PARISH COURT FOR THE PARISH OF ASCENSION
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NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 3 – CAPITAL ASSETS - continued

	<u>Ending Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Beginning Balance</u>
Governmental Activities				
Furniture and fixtures	\$ 93,893	\$ 9,996	\$	\$ 103,889
Equipment	<u>36,783</u>	<u>23,779</u>	_____	<u>60,562</u>
Totals at Historical or Estimated Cost	<u>130,676</u>	<u>33,775</u>	_____	<u>164,451</u>
Less Accumulated Depreciation for:				
Furniture and fixtures	72,868	14,561	_____	87,429
Equipment	<u>28,045</u>	<u>8,510</u>	_____	<u>36,555</u>
Total Accumulated Depreciation for:	<u>100,913</u>	<u>23,071</u>	_____	<u>123,984</u>
Governmental Activities Capital Assets, net	<u>\$ 29,763</u>	<u>\$ 10,704</u>	<u>\$</u>	<u>\$ 40,467</u>

NOTE 4 – ACCOUNTS AND OTHER PAYABLES

The accounts payable of \$1,276 at June 30, 2004, represents normal operating payables.

NOTE 5 – PENSION PLAN

Substantially all employees of the Parish Court, Judicial Expense Fund are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), defined benefit pension plan administered by a separate board of trustees.

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 5 – PENSION PLAN - continued

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Judicial Expense Fund are members of Plan B.

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 B, employees who retire at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62 unless he has at least 30 years of creditable service.

In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. 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 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, or by calling (225) 928-1361.

Under Plan B, members are required by state statute to contribute 2.0 percent of their annual covered salary in excess of \$300 and the Judicial Expense Fund is required to contribute at an actuarially determined rate. The current rate is 5.25 percent of annual covered payroll.

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 5 – PENSION PLAN - continued

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. 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 Judicial Expense Fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 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. The Judicial Expense Fund's contributions to the System under Plan B for the years ending June 30, 2004, 2003, and 2002 were \$3,323, \$1,898 and \$1,594 respectively, which were equal to the required contributions for each year.

The Judge is a member of the Louisiana Employees Retirement System. Contributions to the system are made by the Judge and the Judicial Expense Fund as a percentage of salary. The Judicial Expense Fund contributed \$ 3,017 to the system during the year.

NOTE 6 – LITIGATION

There is no litigation pending against the Ascension Parish Court.

NOTE 7 – LEASES

There were no lease agreements entered into as of June 30, 2004. All office and court room facilities are provided by the governing authority of the parish, as required by legislative statute.

NOTE 8 – SPECIAL REVENUE FUND

A special revenue fund has been established to account for the Probation Litter Program Fund. This fund was established by the Judge to defray the cost of supervision of court mandated litter abatement as part of an offender's probation. The office of the Judge has taken on the responsibility of administering the program. Therefore, it is being reported as a Special Revenue Fund in connection with the Judicial Expense Fund.

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 9 – RELATED PARTY TRANSACTIONS

There were no related party transactions that would require disclosure as of June 30, 2004.

NOTE 10 – RISK MANAGEMENT

The Parish Court for the Parish of Ascension is subject to various risks of loss due primarily to the possible injury of its employees or injury to others by its employees while performing duties of the Court. The Parish Court has purchased commercial insurance, which it believes is sufficient to cover this risk of loss.

NOTE 11 – ACCUMULATED UNPAID VACATION AND SICK PAY

The employees of the Ascension Parish Court, Judicial Expense Fund are not allowed to accumulate vacation or sick leave.

NOTE 12 – SUBSEQUENT EVENTS

There were no subsequent events that would have a significant impact on the accompany financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and forfeitures	\$ 170,000	\$ 147,000	\$ 151,262	\$ 4,262
Interest earnings	<u>2,500</u>	<u>900</u>	<u>865</u>	(35)
Total Revenues	<u>172,500</u>	<u>147,900</u>	<u>152,127</u>	<u>4,227</u>
<u>EXPENDITURES</u>				
Salaries	98,000	104,000	103,339	661
Contract labor	17,000	6,600		6,600
Conferences, seminars And meetings	13,000	13,000	10,435	2,565
Equipment purchases	17,700	30,200	33,775	(3,575)
Office remodeling	30,000	7,500	-0-	7,500
Telephone	12,000	12,000	11,303	697
General	8,000	16,000	8,701	7,299
Legal & professional	5,000	6,000	22,201	(16,201)
Office supplies & equip.	5,000	8,000	9,825	(1,825)
Taxes	7,000	8,000	7,077	923
Ad Hoc Judge Expense	2,100	4,700	3,975	725
Auto expense	2,000	2,000	4,688	(2,688)
Retirement expense	5,000	6,000	6,341	(341)
Insurance	<u>2,000</u>	<u>5,300</u>	<u>5,637</u>	(337)
Total Expenditures	<u>223,800</u>	<u>229,300</u>	<u>227,297</u>	<u>2,003</u>
Excess (Deficit) of Revenues over expenditures	(51,300)	(81,400)	(75,170)	6,230
Fund Balance, beginning	<u>199,945</u>	<u>199,945</u>	<u>199,945</u>	
Fund Balance, ending	<u>\$ 148,645</u>	<u>\$ 118,545</u>	<u>\$ 124,775</u>	<u>\$ 6,230</u>

The accompanying notes are an integral part of this statement

PARISH COURT FOR THE PARISH OF ASCENSION
 JUDICIAL EXPENSE FUND
 STATE OF LOUISIANA

BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and forfeitures	\$ 16,000	\$ 16,000	\$ 12,776	\$(3,224)
Interest earnings	<u>300</u>	<u>300</u>	<u>70</u>	<u>(230)</u>
Total Revenues	<u>16,300</u>	<u>16,300</u>	<u>12,846</u>	<u>(3,454)</u>
<u>EXPENDITURES</u>				
Contract labor	17,000	17,000	17,805	(805)
Legal & professional	1,500	1,500	1,995	(495)
Office expense	<u>1,000</u>	<u>1,000</u>	<u>2,105</u>	<u>(1,105)</u>
Total Expenditures	<u>19,500</u>	<u>19,500</u>	<u>21,905</u>	<u>(2,405)</u>
Excess (Deficit) of Revenues over expenditures	(3,200)	(3,200)	(9,059)	(5,859)
Fund Balance, beginning	<u>19,597</u>	<u>19,597</u>	<u>19,597</u>	_____
Fund Balance, ending	<u>\$ 16,397</u>	<u>\$ 16,397</u>	<u>\$ 10,538</u>	<u>\$(5,859)</u>

The accompanying notes are an integral part of this statement

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

NOTES TO THE SCHEDULES
JUNE 30, 2004

NOTE 1 – SPECIAL REVENUE FUND

The actual expenditures exceeded the budgeted expenditures for the year by \$2,405.

SUPPLEMENTAL SCHEDULES AND INFORMATION

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
JUNE 30, 2004

JUDGE MARILYN LAMBERT

Salary	\$ 19,092
Retirement	3,016
Auto	2,605
Travel and conferences	<u>5,165</u>
Total	<u>\$ 29,878</u>

Salary amounts required to be paid to the Judge by the following governmental units are not included in the above amounts.

State of Louisiana
Ascension Parish Sheriff
City of Gonzales
City of Donaldsonville
City of Sorrento

SWITZER, HOPKINS & MANGE

Certified Public Accountants

POST OFFICE BOX 478
FERRIDAY, LOUISIANA 71334

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA

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1840 NORTH E.E. WALLACE BLVD.
FERRIDAY, LOUISIANA 71334
TELEPHONE (318) 757-2600
FAX (318) 757-7206
OFFICES IN NATCHEZ, MISSISSIPPI

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

The Honorable Marilyn Lambert, Judge
Ascension Parish Court
Judicial Expense Fund
828 South Irma Blvd., Bldg. 2
Gonzales, Louisiana 70737

We have audited the general purpose financial statements of the Parish Court for the Parish of Ascension, Judicial Expense Fund as of and for the year ended June 30, 2004, and have issued our report thereon dated December 11, 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 Parish Court for the Parish of Ascension, Judicial Expense Fund's 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 and 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 no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Parish Court for the Parish of Ascension, Judicial Expense Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements

Ascension Parish Court
Judicial Expense Fund
Page two

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

This report is intended solely for the information and use of the audit committee, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Ferriday, Louisiana
December 11, 2004

Switzer, Hopkins & Mangan

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditor expresses an unqualified opinion on the financial statements of the Parish Court for the Parish of Ascension – Judicial Expense Fund.
2. Reportable conditions relating to the audit of the financial statements of the Parish Court for the Parish of Ascension – Judicial Expense Fund are 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 *Government Auditing Standards*.” There were no reportable conditions.
3. No instances of noncompliance material to the financial statements of the Ascension Parish Court – Judicial Expense Fund were disclosed during the audit.
4. Not applicable
5. Not applicable
6. Not applicable
7. A management letter was not issued in conjunction with this engagement.
8. Not applicable
9. Not applicable

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

PARISH COURT FOR THE PARISH OF ASCENSION
JUDICIAL EXPENSE FUND
STATE OF LOUISIANA

SCHEDULE OF CORRECTIVE ACTION TAKEN
ON PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2004

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS

Ref# Description of Findings:

2003-1 The Judicial Expense Fund failed to amend its budget during the year as required by the Louisiana Local Government Budget Act.

Corrective Action Taken:

For the fiscal year ended June 30, 2004, the budget was amended in accordance with the Louisiana Local Government Budget Act.