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THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

Component Unit Financial Statements
For the Year Ended December 31, 2005

And
Independent Auditors' Report

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 7/26/06



THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report -----	1
Management Discussion and Analysis -----	2-5
<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>	
Statement of Net Assets-----	6
Statement of Activities -----	7
<u>FUND FINANCIAL STATEMENTS</u>	
Balance Sheet – Governmental Funds-----	8
Statement of Revenues, Expenditures And Changes in Fund Balances-----	9
Notes to Financial Statements -----	10-15
<u>COMPLIANCE REPORTING</u>	
Report on Internal Control Over Financial Reporting And on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards -----	16
Schedule of Findings and Questioned Costs -----	17
Schedule of Prior Year Findings -----	18

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INDEPENDENT AUDITORS' REPORT

Honorable Judge Don C. Burns
Thirty-Seventh Judicial District Court
Judicial Expense Fund
Caldwell Parish

We have audited the accompanying component unit financial statements of the governmental activities and fund information of the Thirty-Seventh Judicial District Court, Judicial Expense Fund (a governmental entity) and a component unit of the Caldwell Parish Policy Jury, as of and for the year ended December 31, 2005, which collectively comprise the Court's basic financial statements as listed in the table of contents. These component unit financial statements are the responsibility of the Thirty-Seventh Judicial District Court, Judicial Expense Fund's management. Our responsibility is to express an opinion on these component unit 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information for the Thirty-Seventh Judicial District Court, Judicial Expense Fund as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2006, on our consideration of the Thirty-Seventh Judicial District Court, Judicial Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Judge Don C. Burns
Thirty-Seventh Judicial District Court
Judicial Expense Fund
Page 2

Management's discussion and analysis information on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
June 5, 2006



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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Thirty-Seventh Judicial District Court (the Court) provides an overview of the Court's activities for the year ended December 31, 2005. Please read it in conjunction with the Court's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Court as a whole and present a longer-term view of the Court's finances. Fund financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by also providing information about all the Court governmental funds.

These financial statements consists of three sections: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and supplementary information.

Reporting the Court as a Whole

The Statement of Net Assets and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Court's net assets and changes in them. The Court's net assets-the difference between assets and liabilities- measure the Court's financial position. The increases or decreases in the Court's net assets are an indicator of whether its financial position is improving or deteriorating. Other non-financial factors, however, such as number of cases handled by District Court as well as the number of judgeships approved by the State Legislature and the State's economic condition should be considered in order to assess the overall condition of the Court.

Currently, the Court has only governmental activities that provide personnel, equipment, supplies, and other cost related to the proper administration of the District Court. Primarily, court costs, fees, and interest income finance these activities.

Reporting the Court's Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Court's funds, not the Court as a whole. In addition to accounting for the court costs and fees and other revenues that finance activities of District Court, the Court also accounts for the appropriations received from the Department of Health and Human Resources, State of Louisiana, related to child support cases. The General Fund, the Child Support Fund, and the Misdemeanor Probation Fund are all governmental funds that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures only cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Court's operations and the services it provides. Governmental fund information helps you determine the amount of financial resources available to be spent in the near future to finance the Court's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

THE COURT AS A WHOLE

For the year ended December 31, 2005 and 2004, net assets changes as follows:

	2005	2004
Beginning net assets	\$ 28,343	\$ 36,389
Increase (Decrease) in net assets	<u>6,202</u>	<u>(8,046)</u>
Ending net assets	\$ 34,545	\$ 28,343

This reflects a constant level of government activities for the year. Total revenues decreased by \$9,765 from last year. Although revenues increased by \$10,235 in the Judicial Expense Fund, there was a large decrease in revenue totaling \$22,708 from Inmates on Probation in the Misdemeanor Probation. Accordingly, the Court reduced expenditures relating to the Misdemeanor Probation Fund by a total of \$23,661 compared to the previous year.

Governmental Activities

The Court's assets exceeded its liabilities at the close of the years 2005 by \$34,545. For the calendar year 2005, the net assets increased by \$6,202 (or 22%) and the Court's revenue decreased by \$9,765 (or 8%).

To aid in the understanding of the Statement of Activities some additional explanation is provided. Its format is significantly different than that of the Statement of Revenues, Expenses, and Changes in Fund Balance. The expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net Revenue(Expense). The reason for this kind of format is to highlight the relative financial burden of each of the governmental functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees. Court costs and fees reported represent the majority of the revenues for the District Court function.

All other governmental revenues (such as interest) are reported as general.

THE COURT'S FUNDS

The following schedule presents a summary of general and special revenue funds net assets:

	Net Assets as of	
	2005	2004
Current and noncurrent assets	\$ 49,075	\$ 44,352
Current and noncurrent liabilities	<u>14,530</u>	<u>16,009</u>
Net Assets:		
Unrestricted	<u>34,545</u>	<u>28,343</u>
Total net assets	<u>\$ 34,545</u>	<u>\$ 28,343</u>

Net assets of the Court increased by \$ 6,202 (or 22%) from December 31, 2004 to December 31, 2005.

The following schedule presents a summary of general and special revenue funds revenues and expenditures for the year ended December 31, 2005 and the amount and percentage of increases and decreases in relation to the prior year.

	2005	Percent	Increase	Percent
	Amount	of Total	(Decrease)	Increase
			from	(Decrease)
			2004	
Revenues:				
Intergovernmental	\$ 28,532	26%	\$ 2,852	11%
Charges for services	76,667	73%	(19,033)	(20%)
Interest	<u>375</u>	<u>1%</u>	<u>(144)</u>	<u>(28%)</u>
Total revenues	<u>\$105,574</u>	<u>100%</u>	<u>\$(16,325)</u>	<u>(13%)</u>

The charges for services decrease reflects lower fees collected for the Misdemeanor Probation Program, primarily.

	2005	Percent	Increase	Percent
	Amount	of Total	(Decrease)	Increase
			from	(Decrease)
			2004	
Expenditures:				
District Court	\$ 99,372	100%	\$ (30,573)	(24%)

District Court expenditures decreased during 2005. The decrease was due primarily to reductions in Misdemeanor Probation officer salaries, fees paid to the Caldwell Parish Sheriff's office, the Caldwell Tax Collector's office and other miscellaneous expenses. Also, included in the fund financial statements are transfers from Misdemeanor Probation Fund to the General Fund of \$11,575.

CAPITAL ASSETS

The Court had reported no capital assets as of December 31, 2005.

DEBT ADMINISTRATION

The Court had no long term debt as of December 31, 2005.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

Court operations are funded extensively by the Parish of Caldwell. The Court anticipates a flat growth with very little change.

CONTACTING THE THIRTY-SEVENTH DISTRICT COURT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Court's finances and to demonstrate the Court's accountability for the financial resources it manages. If you have questions about this report or need additional financial information contact the Honorable Judge Don Burns at P. O. Box 2012, Columbia, Louisiana 71418.

Honorable Judge Don C. Burns

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

STATEMENT OF NET ASSETS
DECEMBER 31, 2005

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 31,615
Accounts Receivable	17,460
<u>TOTAL ASSETS</u>	<u>\$ 49,075</u>
 <u>LIABILITIES AND NET ASSETS</u>	
<u>Liabilities</u>	
Accounts Payable	\$ 13,495
Payroll Taxes Payable	1,035
Total Liabilities	<u>14,530</u>
 <u>Net Assets</u>	
Unrestricted	34,545
Total Net Assets	<u>34,545</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 49,075</u>

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Functional / Program Activities:					
Government Activities:					
Judicial Expense Fund	\$ 32,983	\$ 38,550	\$ -	\$ -	\$ 5,567
Child Support Fund	28,185	-	-	-	(28,185)
Misdemeanor Probation Fund	49,779	49,692	-	-	(87)
Total Government Activities	\$ 110,947	\$ 88,242	\$ -	\$ -	\$ (22,705)
General Revenues:					
Intergovernmental					28,532
Interest					375
Total General Revenues					28,907
Changes in Net Assets					6,202
NET ASSETS - BEGINNING					28,343
NET ASSETS - ENDING					\$ 34,545

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 27,110	\$ 3,960	\$ 545	\$ 31,615
Receivables	9,712	7,748	-	17,460
Total Assets	\$ 36,822	\$ 11,708	\$ 545	\$ 49,075
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts Payable	\$ 5,134	\$ 8,361	\$ -	\$ 13,495
Payroll Taxes Payable	184	851	-	1,035
Total Liabilities	5,318	9,212	-	14,530
Fund Balances				
Unreserved - Reported In:				
General Fund	31,504	-	-	31,504
Special Revenue Funds	-	2,496	545	3,041
Total Fund Balances	31,504	2,496	545	34,545
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 36,822	\$ 11,708	\$ 545	\$ 49,075

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

<u>Revenues</u>	<u>General Fund</u>	<u>Child Support</u>	<u>Misdemeanor Probation Fund</u>	<u>Total Governmental Funds</u>
<u>State</u>				
Intergovernmental Revenues	\$ -	\$ 28,532	\$ -	\$ 28,532
<u>Local</u>				
Caldwell Parish Sheriff	22,425	-	-	22,425
Caldwell Parish Clerk of Court	4,550	-	-	4,550
Caldwell Parish Probation	11,575	-	-	11,575
Interest on Investments	375	-	-	375
Inmates on Probation	-	-	49,692	49,692
Total Revenues	38,925	28,532	49,692	117,149
 <u>Expenditures</u>				
<u>Judicial:</u>				
Utilities	781	-	-	781
Travel	1,491	1,205	-	2,696
Professional Development	117	-	-	117
Office	80	865	252	1,197
Accounting and Auditing	5,896	-	-	5,896
Legal Expense	240	-	-	240
Salaries and Professional Fees	4,800	9,800	3,353	17,953
Fringe Benefits	9,273	16,199	-	25,472
Supplies	553	-	-	553
Dues and Subscriptions	1,076	-	-	1,076
Other Misc. Expense	890	116	3,604	4,610
<u>Transfer to:</u>				
Caldwell Parish Tax Collector	-	-	26,582	26,582
37th Judicial District Court Expense	-	-	11,575	11,575
Caldwell Parish Sheriff	7,785	-	1,561	9,346
Probation Officer Salary	-	-	2,853	2,853
Total Expenditures	32,982	28,185	49,780	110,947
 <u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	5,943	347	(88)	6,202
 <u>Fund Balance at Beginning of Year</u>				
	25,561	2,149	633	28,343
 <u>FUND BALANCE AT END OF YEAR</u>				
	\$ 31,504	\$ 2,496	\$ 545	\$ 34,545

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 1 - Historical Background

The Judicial Expense Fund of the Thirty-Seventh Judicial District Court was established by Act 916 of the 1985 Session of the Louisiana Legislature and began operating in March of 1986. The Judicial Expense Fund is controlled by the Judge of the Thirty-Seventh Judicial District Court and was established and may be used for any purpose connected with, incidentally to, or related to the proper administration or function of the court or the office of the Judge thereof, and in addition to any and all other funds, salaries, expenses or other monies that were or hereafter will be provided, authorized, or established by law for any of the aforesaid purposes. The Judicial Expense Fund's revenues are derived from court costs assessed in civil and criminal cases of the Thirty-Seventh Judicial District Court and are collected by the Sheriff and Clerk of Court. The Special Revenue Funds entitled Child Support and Misdemeanor Probation were established by the Louisiana Legislature in 1994. The Misdemeanor Probation Fund was established by order of the Thirty-Seventh Judicial District Court, the Caldwell Parish Sheriff and the Probation officer for the Parish of Caldwell on July 1, 1997. The Thirty-Seventh Judicial District Court started receiving the funds in June of 1995 and the Misdemeanor Probation Fund started receiving funds from the inmates on probation in July 1997.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

The Judicial Expense Fund complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

B. Reporting Entity

The Thirty-Seventh Judicial District Court, Special Revenue Fund (Child Support), authority was created by the Louisiana Legislature in 1994, and began receiving funds in June of 1995. The purpose of the fund is to provide an expedited process for establishment and enforcement of support obligations which are brought by the Department of Health and Human Resources. Revenues are to be expended to administer the proceedings related to the expedited process. The Thirty-Seventh Judicial District Court, Special Revenue Fund (Misdemeanor Probation), authority was created under the Louisiana Code of Criminal Procedure Article 895.1C. The Thirty-Seventh Judicial District Court issued an order signed en banc July 1, 1997 implementing this process. The purpose of this fund is to provide misdemeanor probation services by collecting monthly fines for establishment and enforcement of the probationary period. Revenues are to be expended to administer the proceedings related to the probation process.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

The accounting and reporting policies of the Thirty-Seventh Judicial District Court, Judicial Expense Fund conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of *Louisiana Municipal Audit and Accounting Guide*, the industry audit guide, *Audits of State and Local Governmental Units; Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, and/or, where applicable, Public Law 98-502, the Single Audit Act of 1996, and OMB Circular A-133.

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board (GASB), the Judicial Expense Fund and Child Support is a part of the Thirty-Seventh Judicial District Court, a component of the Caldwell Parish Police Jury judicial system. The financial reporting entity consists of (a) the primary government (Caldwell Parish Police Jury), (b) organization of which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

This criteria includes:

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

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

Because the Caldwell Parish Police Jury provides for the operation and maintenance of the courtroom and office space of the Judges in its parish courthouse, the Thirty-Seventh Judicial District Court was determined to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Thirty-Seventh Judicial District Court and do not present information on the Caldwell Parish Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. Basis of Presentation

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include a Management Discussion and Analysis (MD & A) section providing an analysis of the Judicial Expense Fund’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all Judicial Expense Fund’s activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

D. Basic Financial Statements

Government-wide financial statements – The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund financial statements – The financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The funds of the Judicial Expense Fund are described as follows:

General Fund – The general fund in the general operating fund and accounts for all activities of the Judicial Expense Fund except those required to be accounted for in another fund.

Special Revenue Fund – Special revenue funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes. Included in special revenue funds are the Child Support Fund and Court Services Fund, which includes Misdemeanor Probation.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

E. Basic Financial Statements (Continued)

This report includes funds which are controlled by the Thirty-Seventh Judicial District Court but determined to be a component unit of the Caldwell Parish Police Jury. The Caldwell Parish Police Jury has significant control over the Judicial Expense Fund in the area of necessary capital outlay. The Caldwell Parish Police Jury would present this component unit in a discreet presentation format if it were included in their financial statements. The funds are administered by the Court Administrator.

F. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of measurement focus applied.

Measurement Focus – The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

Basis of Accounting – The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

G. Budgets and Budgetary Accounting

The Thirty-Seventh Judicial District Court is not required to prepare an annual budget for its General Fund because the judiciary is not included within the definition of a "political subdivision" covered by the Louisiana Government Budget Act.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 2 - Summary of Significant Accounting Policies (Continued)

H. Cash and Cash Equivalents

Cash includes amounts in non-interest bearing demand deposits and an interest-bearing certificate of deposit. The Judge considers the certificate of deposit as well as highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. Under state law, the Judge 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.

I. Vacation and Sick Leave

Employees of the Judicial Expense Fund at this time are paid by the Caldwell Parish Police Jury and are covered under the police jury's vacation and sick leave policies.

J. Use of Estimates

The preparation of the component unit financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 - Cash and Cash Equivalents

At December 31, 2005, the Thirty-Seventh Judicial District Court has cash and cash equivalents (book balances) totaling \$31,615 as follows:

	<u>Total</u>	<u>Judicial Expense Fund</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>
Demand Deposits	\$ 14,710	\$ 10,203	\$ 3,960	\$ 547
Certificate of Deposit	<u>16,905</u>	<u>16,905</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 31,615</u>	<u>\$ 27,108</u>	<u>\$ 3,960</u>	<u>\$ 547</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 deposits 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, 2005, the Court had \$31,193 in deposits (collected bank balances). These deposits are fully insured by the federal deposit insurance.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 4 - **Receivables**

The Judicial Expense Fund receivables of \$17,460 at December 31, 2005, are as follows:

	<u>Total</u>	<u>Judicial Expense Fund</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>
Criminal and Civil Costs	<u>\$ 17,460</u>	<u>\$ 9,712</u>	<u>\$ 7,748</u>	<u>\$ -</u>

Note 5 - **Litigation and Claims**

There is no litigation pending against the Judicial Expense Fund at December 31, 2005.

Note 6 - **Health and Life Insurance Benefits**

The Judicial Expense Fund provides health care and life insurance benefits for its employees. Substantially all of the Judicial Expense Fund employees are covered by the State Employees Benefit Program. During the year ended December 31, 2005, the Expense Fund paid \$6,280 for those benefits and the child support paid \$15,368 for a total of \$21,648.

Note 7- **Pension and Compensated Absences**

The 37th Judicial District Court does not participate in a retirement system, or in an individual retirement account. There are only four employees and they participate in social security and Medicare by contributing 6.2 percent and 1.45 percent, respectively. The court does not have a policy for its four employees' annual vacation and sick leave.

Note 8 - **FINS Grant**

The 37th Judicial District Court receives a grant for \$25,000 from the Supreme Court of the State of Louisiana for the operation of the FINS Program. The Court receives the money in monthly installments of \$2,083 from the state and immediately deposits the cash. A check is then written in the same amount to the Caldwell Parish District Attorney from which the District Attorney pays the salary for the FINS Officer.

COMPLIANCE REPORTING

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

Honorable Judge Don C. Burns
Thirty-Seventh Judicial District Court
Judicial Expense Fund
Caldwell Parish

We have audited the financial statements of the Thirty-Seventh Judicial District Court, Judicial Expense Fund and a component unit of the Caldwell Parish Police Jury as of and for the year ended December 31, 2005, and have issued our report thereon dated June 5, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Thirty-Seventh Judicial District Court, 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 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 a material weakness. 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 caused by errors or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thirty-Seventh Judicial District Court, 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management of the Thirty-Seventh Judicial District Court, Judicial Expense Fund and the Louisiana 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.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
June 5, 2006

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

We have audited the component unit financial statements of Thirty-Seventh Judicial District Court, Judicial Expense Fund as of and for the year ended December 31, 2005, and have issued our report thereon dated June 5, 2006. 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. Our audit of the financial statements as of December 31, 2004, resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ___ yes X no Reportable Conditions ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards - N/A

Internal Control

Material Weaknesses ___ yes ___ no Reportable Conditions ___ yes ___ no

Type of Opinion on Compliance ___ Unqualified ___ Qualified
For Major Programs ___ Disclaimer ___ Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

C. Identification of Major Programs: N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs \$ N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs - N/A

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

No management letter was issued.