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**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**Component Unit of the  
Avoyelles Parish Police Jury  
Marksville, Louisiana**

**Financial Statements**

**December 31, 2006**

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 8/8/07

**DUCOTE & COMPANY**  
***Certified Public Accountants***  
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**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

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Independent Auditors' Report

The Honorable William Bennett  
The Honorable Mark Jeansonne  
Twelfth Judicial District Court  
Marksville, Louisiana

We have audited the accompanying basic financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of management of the District Court. 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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of December 31, 2006, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Honorable William Bennett  
The Honorable Mark Jeansonne  
Page 2  
June 23, 2006

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2006, on our consideration of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls 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.

The Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana has not presented Management's Discussion and Analysis that the Government Auditing Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

*Ducote & Company*

Marksville, Louisiana  
June 23, 2006

**BASIC  
FINANCIAL STATEMENTS**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
STATEMENT OF NET ASSETS  
December 31, 2006**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$64,827
Accounts receivable	12,163
Machinery and equipment (net of accum depr)	11,131
<b>TOTAL ASSETS</b>	<b>88,121</b>
 <b>LIABILITIES</b>	
Accounts payable	557
Accrued expenses	4,399
<b>TOTAL LIABILITIES</b>	<b>4,956</b>
 <b>NET ASSETS</b>	
Unrestricted	83,165
<b>TOTAL NET ASSETS</b>	<b>\$83,165</b>
 Total Governmental Fund Balance	
	\$72,034
Amounts reported for governmental activities in the statement of net assets that are difference because:	
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds. The cost of the assets are \$59,095 and the accumulated depreciation is \$47,964.	11,131
	<b>\$83,165</b>

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

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2006**

Governmental Activities

General Government			
Salaries	\$160,930	\$163,947	\$3,017
Payroll taxes and insurance	22,382	22,802	420
Contract labor	16,517	16,827	310
Education and travel	9,745	9,928	183
Professional fees	3,130	3,189	59
Depreciation	3,906	3,979	73
Other expenses	42,321	43,115	794
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u><u>\$258,931</u></u>	<u><u>\$263,786</u></u>	4,855
General Revenues:			
Interest			<u>1,352</u>
Changes in net assets			6,207
Net assets - beginning of year			<u>76,958</u>
Net assets - end of year			<u><u>\$83,165</u></u>
 Net change in fund balances - total governmental funds			 \$4,426
Amount reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:			
	Capital outlay	5,687	
	Depreciation expense	<u>(3,906)</u>	<u>1,781</u>
Change in net assets of governmental activities.			<u><u>\$6,207</u></u>

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

**FUND FINANCIAL STATEMENTS**

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
BALANCE SHEET  
GOVERNMENTAL FUND  
December 31, 2006**

	<u>Special Revenue Fund</u>
<b>ASSETS</b>	
Cash	\$64,827
Accounts receivable	<u>12,163</u>
<b>TOTAL ASSETS</b>	<u><u>\$76,990</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$557
Accrued expenses	<u>4,399</u>
Total Liabilities	<u>4,956</u>
Fund Balances:	
Unreserved, undesignated	<u>72,034</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$76,990</u></u>

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

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
GOVERNMENTAL FUND  
Year Ended December 31, 2006**

	<b>Special</b>	<b>Revenue</b>	<b>Fund</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
			<b>Favorable</b>
			<b>(Unfavorable)</b>
<b>REVENUES</b>			
Special assessment fees	\$273,270	\$263,786	(\$9,484)
Interest	0	1,352	1,352
Other revenues	0	0	0
	<u>273,270</u>	<u>265,138</u>	<u>(8,132)</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
General Government			
Salaries	158,176	160,930	(2,754)
Payroll taxes and insurance	47,584	22,382	25,202
Contract labor	16,517	16,517	0
Education and travel	15,000	9,796	5,204
Capital outlay	2,000	5,687	(3,687)
Professional fees	3,130	3,130	0
Other expenses	20,461	42,270	(21,809)
	<u>262,868</u>	<u>260,712</u>	<u>2,156</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIENCY) OF</b>			
<b>REVENUES OVER EXPENDITURES</b>	<u>\$10,402</u>	4,426	<u>(\$5,976)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>67,608</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$72,034</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**

# **JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT**

## **NOTES TO FINANCIAL STATEMENTS December 31, 2006**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Judicial Expense Fund of the Twelfth Judicial District Court was created by Louisiana R.S. 13:996.33. The accounting and reporting policies of the Judicial Expense Fund for the Twelfth Judicial District Court conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to requirements of Louisiana Revised Statutes 24:517.

The following is a summary of the more significant policies:

#### **FINANCIAL REPORTING ENTITY**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining component units of an oversight entity. The basic - but not the only - criterion for determining a component unit is the oversight's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but is not limited to,; 1) selection of governing authority; 2) the designation of management; and 3) the ability to significantly influence operations and accountability for fiscal matters.

The Judicial Expense Fund is a part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget.

Based on the above criteria it has been determined that the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana is a component unit of the Avoyelles Parish Police Jury.

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENT WIDE FUND FINANCIAL STATEMENTS**

The government wide fund financial statements report the information on all of the non-fiduciary activities of the Judicial Expense Fund of the Twelfth Judicial District Court. Governmental activities are normally supported by taxes and assessments which are reported separately from the business-type activities, which rely to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues includes fines and assessments charge for various violations.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**FUND ACCOUNTING:**

The accounts of the Court are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENTAL FUND**

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

**Special Revenue Fund**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**BUDGETARY PRACTICES**

In accordance with Louisiana Revised Statute 39:1301 through 39:1314, the Judicial Expense Fund of the Twelfth Judicial District Court is required to adopt an annual budget, but is not subject to the public participation laws as the proposed expenditures are less than \$250,000. All annual appropriations lapse at year end. Encumbrance accounting is not utilized.

**CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time 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 of the Twelfth 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.

Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:  
Machinery and equipment                      5-7 years

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 2 - CASH**

At December 31, 2006, the Judicial Expense Fund for the Twelfth Judicial District Court has cash and cash equivalents (book balances) totaling \$64,827. *Custodial Credit Risk*: is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At December 31, 2006, the Judicial Expense Fund for the Twelfth Judicial District Court has \$72,617 in deposits (collected bank balances), \$72,617 was covered by federal depository insurance (GASB Category 1), exposed to credit risk as follows:

<b>Depository Account</b>	<b>Bank Balance</b>
Insured	\$72,617
Collateralized:	
Collateral held by pledging bank's trust department not in the agency's name	0
Uninsured and uncollateralized	0
Total Deposits	\$72,617

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2006**

**NOTE 3 – CAPITAL ASSETS**

The following is a summary of changes in the capital assets and depreciation activity for the year ended December 31, 2006:

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/06</u>
Machinery and Equipment	\$ 53,407	\$ 5,687	\$ -	\$59,094
Total Capital Assets	53,407	<u>5,687</u>	<u>-</u>	59,094
Accumulated Depreciation	<u>(44,057)</u>	<u>\$(3,906)</u>	<u>\$ -</u>	<u>47,963</u>
Net Capital Assets	<u>\$ 9,350</u>			<u>\$11,13/k1</u>

**NOTE 4 – RECEIVABLES**

The receivables of \$12,163 as of December 31, 2006, are as follows:

Intergovernmental:	
Local fees	<u>\$12,163</u>
	<u>\$12,163</u>

**NOTE 5 – ACCOUNTS AND OTHER PAYABLES**

The payables of \$4,956 at December 31, 2006, are as follows:

Accounts payable	\$ 557
Withholdings	<u>4,399</u>
	<u>\$ 4,956</u>

## **SUPPLEMENTARY INFORMATION**

**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**

The Honorable William Bennett  
The Honorable Mark Jeansonne  
Twelfth Judicial District Court  
Marksville, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court, for the year ended December 31, 2006, and have issued our report thereon dated June 21, 2007. 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 the Judicial Expense Fund of the Twelfth Judicial District's Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Judicial Expense Fund of the Twelfth Judicial District Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Judicial Expense Fund of the Twelfth Judicial District Court's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Honorable Bennett  
Honorable Jeansonne  
Page 2  
June 21, 2007

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twelfth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 for the information of the management of the governing body and the Legislative Auditor of the State of Louisiana 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 of the State of Louisiana as a public document.

*Ducote & Company*

Marksville, Louisiana  
June 21, 2007

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2006**

**Section I – Internal Control and Compliance Material to the Financial Statements**

None

**Section II – Management Letter**

None

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR FINDINGS  
Year Ended December 31, 2006**

**Section I – Internal Control and Compliance Material to the Financial Statements**

None

**Section II – Management Letter**

None