THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND

Colfax, Louisiana

REPORT ON FINANCIAL STATEMENTS

As of and For the Year Ended December 31, 2001

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May 22, 2002

INDEPENDENT AUDITORS' REPORT

Honorable Allen Krake, Louisiana State District Judge
Thirty-Fifth Judicial District Court
200 Main Street, Suite 202
Colfax, Louisiana 71417

We have audited the accompanying financial statements of the Thirty-Fifth Judicial District Expense Fund as of and for the year ended December 31, 2001. These financial statements are the responsibility of management of the Thirty-Fifth Judicial District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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.

As discussed in Note 1, the financial statements present only the financial transactions of the Expense Fund, administered by the Thirty-Fifth Judicial District Court, a Component Unit of the Grant Parish Police Jury.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Thirty-Fifth Judicial District Expense Fund as of December 31, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

--Members--
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In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2002, on our consideration of the Thirty-Fifth Judicial District Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contacts 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.

ROZIER, HARRINGTON & McKAY
Certified Public Accountants

Thirty-Fifth Judicial District Expense Fund

Balance Sheet

December 31, 2001

Assets:	
Cash	$ 25,871
Accounts Receivable	5,891
Accrued Interest Receivable	433
Total Assets	$ 32,195
Liabilities and Fund Balance:	
Liabilities:	
Accounts Payable	$ 3,038
Accrued Expenses	1,411
Total Liabilities	4,449
Fund Balance:	
Unreserved	27,746
Total Fund Balance	27,746
Total Liabilities & Fund Balance	$ 32,195

The accompanying notes are an integral part of these statements.

Thirty-Fifth Judicial District Expense Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2001

Revenues:	
Fees and Fines	$ 75,735
State Funds	5,405
Other	1,222
Total Revenues	82,362
Expenditures:	
Telephone	6,415
Library	14,348
Contract Labor	13,633
Supplies	4,887
Supplemental Salaries	20,555
Seminars,Meetings & Continuing Education	23,471
Repairs & Maintenance	884
Professional Fees	3,754
Capital Expenditures	4,751
Miscellaneous	3,755
Total Expenditures	96,453
Excess (Deficiency) of Revenues Over Expenditures	(14,091)
Fund Balance at Beginning of Year	41,837
Fund Balance at End of Year	$ 27,746

The accompanying notes are an integral part of these statements.

Thirty-Fifth Judicial District Expense Fund

Statement of Revenue, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fees and Fines	$ 55,000	$ 75,735	$ 20,735
State Funds	5,000	5,405	405
Other	1,000	1,222	222
Total Revenues	61,000	82,362	21,362
Expenditures:			
Telephone	6,000	6,415	(415)
Library	10,000	14,348	(4,348)
Contract Labor	7,000	13,633	(6,633)
Supplies	4,000	4,887	(887)
Supplemental Salaries	15,000	20,555	(5,555)
Seminars, Meetings & Continuing Education	20,000	23,471	(3,471)
Repairs & Maintenance	500	884	(384)
Professional Fees	3,500	3,754	(254)
Capital Expenditures	35,000	4,751	30,249
Miscellaneous	1,000	3,755	(2,755)
Total Expenditures	102,000	96,453	5,547
Excess (Deficiency) of Revenues Over Expenditures	(41,000)	(14,091)	26,909
Fund Balance at Beginning of Year	41,837	41,837	-
Fund Balance at End of Year	$ 837	$ 27,746	$ 26,909

The accompanying notes are an integral part of these statements.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND REPORTING ENTITY

The Thirty-Fifth Judicial District was established under the laws of the State of Louisiana for the purpose of creating a State District Court having jurisdiction over Grant Parish, Louisiana. The District receives fees and other costs which are assessed from persons participating in the judicial process. The Judicial Expense Fund was established to account for the receipt of these revenues. The revenues collected may be expended for any purpose to supplement the proper administration of the Court or the Office of the Judge.

The accompanying financial statements present the financial transactions of the Thirty-Fifth Judicial District Expense Fund, a fund administered by the Thirty-Fifth Judicial Court, which is a Component Unit of Grant Parish Police Jury. The financial statements are not intended to present financial position and results of operations for the Judge's Office, the Thirty-Fifth Judicial District Court or the Grant Parish Police Jury.

BASIS OF PRESENTATION

The accompanying financial statements of the Thirty-Fifth Judicial District Expense Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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.

FUND ACCOUNTING

The Thirty-Fifth Judicial District Expense Fund is organized and operated on a fund basis whereby a self-balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues and expenditures.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Expense Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it becomes both measurable and available, and expenditures are recognized when a liability has been incurred. Available means collectible within the current period or within sixty days after year end.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

BUDGETS

Budgets are prepared annually by the Judicial staff and approved by the District Judge. Any necessary amendments are approved prior to the end of each year. Amended budgets are prepared and approved in the same manner as the initial budget.

ENCUMBRANCES

Purchase orders, contracts, & other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, they are not reported in the accompanying financial statements.

FIXED ASSETS

Property and equipment purchased by the Expense Fund are recorded as expenditures at the time they are purchased or constructed. In accordance with generally accepted accounting principals for governmental units, the Expense Fund does not capitalize fixed assets.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2001, cash and cash equivalents (book balance) totaled $25,871. The collected bank balance of $26,949 was fully insured by the Federal Deposit Insurance Corporation at December 31, 2001.

NOTE 3 - RECEIVABLES

Accounts receivable at year end totaled $5,891. Receivables consist of amounts due from other local governmental agencies and are considered fully collectible.

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May 22, 2002

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

Honorable Allen Krake
Louisiana State District Judge
Thirty-Fifth Judicial District Court
200 Main Street, Suite 202
Colfax, Louisiana 71417

We have audited the financial statements of the Thirty-Fifth Judicial District Expense Fund, as of and for the year ended December 31, 2001 and have issued our report thereon dated May 22, 2002. We conducted our audit in accordance with generally accepted auditing standards 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 Thirty-Fifth Judicial District Expense Fund financial statements are free of material misstatements, 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 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Thirty-Fifth Judicial District 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 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

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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 for the information of management; however, this report is a matter of public record and its distribution is not limited.

Rozier, Harrington & McKay

ROZIER, HARRINGTON & McKAY
Certified Public Accountants

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2001

We have audited the financial statements of the Thirty-Fifth Judicial District Expense Fund as of and for the year ended December 31, 2001, and have issued our report thereon dated May 22, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2001, resulted in an unqualified opinion.

PART I - SUMMARY OF AUDITOR'S RESULTS

a. The report on internal control and compliance material to the financial statements reported the following items:

- Internal Control – There were no reportable conditions
- Compliance – No noncompliance that is material to the financial statements.

b. Federal Awards:

- N/A. Federal Awards received during the year ended December 31, 2001 were not sufficient in amount to require a single audit.

c. Identification of Major Programs:

- N/A

PART II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

- None

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133

- Not applicable – a single audit was not required.

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
MANAGEMENTS CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2001

SECTION I **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.**	
N/A – There were no findings in this area during the year ended December 31, 2001.	Response – N/A
SECTION II **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**	
N/A – There were no findings in this area during the year ended December 31, 2001.	Response – N/A
SECTION III **MANAGEMENT LETTER**	
N/A – There were no findings in this area during the year ended December 31, 2001.	Response – N/A

THIRTY-FIFTH JUDICIAL DISTRICT EXPENSE FUND
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2001

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT	
There were no findings in this area during the year ended December 31, 2000.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
There were no findings in this area during the year ended December 31, 2000.	Response – N/A
SECTION III – MANAGEMENT LETTER	
There were no findings in this area during the year ended December 31, 2000.	Response – N/A