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THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

Component Unit Financial Statements
For the Year Ended December 31, 1999

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 JUN 07 2000

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge Ronald J. Lewellyan
Thirty-Seventh Judicial District Court
State of Louisiana
Caldwell Parish

We have audited the accompanying component unit financial statements of the Thirty-Seventh Judicial District Court as of and for the year ended December 31, 1999, as listed in the table of contents. These component unit financial statements are the responsibility of the Judge of the Thirty-Seventh Judicial District Court. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance 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 opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Thirty-Seventh Judicial District Court as of December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 17, 2000, on our consideration of the Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
March 17, 2000

COMPONENT UNIT FINANCIAL STATEMENTS

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	<u>Governmental Fund Types</u>		
	<u>General Fund</u>	<u>Special Revenue Funds</u>	
	<u>Judicial Expense Fund</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>
<u>ASSETS AND OTHER DEBITS</u>			
Cash and Cash Equivalents	\$ 21,029	\$ 5,862	\$ 3,436
Receivables	1,417	1,171	-
Equipment	-	-	-
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 22,446</u>	<u>\$ 7,033</u>	<u>\$ 3,436</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 516	\$ 1,276	\$ 1,100
Payroll Taxes Payable	160	985	-
Due to Other Agencies	3,000	-	-
Total Liabilities	<u>3,676</u>	<u>2,261</u>	<u>1,100</u>
<u>FUND EQUITY</u>			
Unreserved - Undesignated	18,770	4,772	2,336
Investment in General Fixed Assets	-	-	-
Total Fund Equity	<u>18,770</u>	<u>4,772</u>	<u>2,336</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 22,446</u>	<u>\$ 7,033</u>	<u>\$ 3,436</u>

Account Group General Fixed Assets	Totals Memorandum Only
\$ -	\$ 30,327
-	2,588
14,730	14,730
<u>\$ 14,730</u>	<u>\$ 47,645</u>
\$ -	\$ 2,892
-	1,145
-	3,000
-	7,037
-	25,878
14,730	14,730
<u>14,730</u>	<u>40,608</u>
<u>\$ 14,730</u>	<u>\$ 47,645</u>

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

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>General Fund</u>	<u>Special Revenue Funds</u>		<u>Totals</u> <u>Memorandum</u> <u>Only</u>
	<u>Judicial</u> <u>Expense</u> <u>Fund</u>	<u>Child</u> <u>Support</u>	<u>Misdemeanor</u> <u>Probation</u> <u>Fund</u>	
<u>Revenues</u>				
State				
Intergovernmental Revenues	\$ -	\$ 14,720	\$ -	14,720
Local				
Caldwell Parish Sheriff	13,131	-	-	13,131
Caldwell Parish Clerk of Court	5,067	-	-	5,067
Caldwell Parish Probation	5,330	-	-	5,330
Interest on Investments	873	-	-	873
Inmates on Probation	-	-	21,411	21,411
Total Revenues	<u>24,401</u>	<u>14,720</u>	<u>21,411</u>	<u>60,532</u>
<u>Expenditures</u>				
Judicial:				
Utilities	2,055	-	623	2,678
Travel	3,964	722	-	4,686
Professional Development	3,621	-	-	3,621
Office	1,081	500	96	1,677
Accounting and Auditing	4,282	-	-	4,282
Legal Expense	363	-	-	363
Salaries and Professional Fees	4,461	13,000	-	17,461
Fringe Benefits	341	1,696	-	2,037
Supplies	288	-	-	288
Dues and Subscriptions	1,019	100	-	1,119
Contributions and Group Insurance	10,733	-	-	10,733
Capital Outlay- Equipment	98	-	-	98
Transfer to:				
37th Judicial District Court Expense	-	-	5,330	5,330
Caldwell Parish Sheriff	-	-	3,553	3,553
Probation Officer Salary	-	-	11,399	11,399
Total Expenditures	<u>32,306</u>	<u>16,018</u>	<u>21,001</u>	<u>69,325</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	<u>(7,905)</u>	<u>(1,298)</u>	<u>410</u>	<u>(8,793)</u>
<u>Fund Balance at Beginning of Year</u>				
	<u>26,675</u>	<u>6,070</u>	<u>1,926</u>	<u>34,671</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 18,770</u>	<u>\$ 4,772</u>	<u>\$ 2,336</u>	<u>\$ 25,878</u>

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

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

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 Fund entitled Child Support and Caldwell Parish Misdemeanor Probation Fund was established by the Louisiana Legislature in 1994. The Caldwell Parish Misdemeanor Probation Fund was established by order of the 37th 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 Caldwell Parish 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 accompanying financial statements of the Thirty-Seventh Judicial District Court 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.

B. Reporting Entity

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 State of Louisiana judicial system. The financial reporting entity consists of (a) the primary government (State of Louisiana), (b) organization for 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 State of Louisiana 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.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the State of Louisiana 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 State of Louisiana.
2. Organizations for which the State of Louisiana does not appoint a voting majority but are fiscally dependent on the State of Louisiana.
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.

Because the State of Louisiana provides for the operation and maintenance, and the Caldwell Parish Police Jury provides the Courtroom and office space of the Judge in its parish courthouse, the Thirty-Seventh Judicial District Court was determined to be a component unit of the State of Louisiana, 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 State of Louisiana, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The Thirty-Seventh Judicial District Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Note 2 - Summary of Significant Accounting Policies (Continued)

C. Fund Accounting (Continued)

The funds presented in the financial statements are described as follows:

1. General Fund

The Judicial Expense Fund, as provided by Louisiana Act No. 916 of 1985, is the principal fund of the Thirty-Seventh Judicial District Court office and is used to account for the operations of the Judicial District's office. The District's primary source of revenues is from court costs assessed in civil and criminal cases and collected by the Sheriff and Clerk of Court of the District.

Other sources of revenue include interest earned on an interest-bearing certificate of deposit. General expenses of the District Court are paid from this fund.

2. Special Revenue Funds

The Special Revenue Funds, as set up by the Thirty-Seventh Judicial District Court are the Child Support and the Caldwell Parish Misdemeanor Probation Funds. The Child Support Fund's source of revenue is from the State of Louisiana for the purpose of enforcing parents to support their children. The fund was opened in June, 1995. The Caldwell Parish Misdemeanor Probation Fund source of revenue is from the inmates placed on probation. The probation fund was opened in July 1997. The fund pays fifty percent for the probation officer salary, transfers thirty percent to the Judicial Expense Fund and twenty percent to the Caldwell Parish Sheriff.

D. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed asset account group, rather than in the General Fund.

General fixed assets provided by the Judicial Expense Fund are recorded within the general fixed assets account group. Fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. No depreciation has been provided on general fixed assets. The account group is not a "fund". It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

E. 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 accompanying component unit financial statements have been prepared on the modified accrual basis of accounting. The modified accrual basis of accounting is used for

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Note 2 - Summary of Significant Accounting Policies (Continued)

E. Basis of Accounting (Continued)

reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. *Measurable* means the amount of the transaction that 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. The Judicial Expense and Special Revenue Funds use the following practices in recording revenue and expenditures:

1. Revenues

The civil and criminal costs earned are recorded in the month earned. The criminal and civil costs are generally collected in the current month and settled by the Sheriff and Clerk of Court by the first of the next month.

Intergovernmental revenues are recorded when the Thirty-Seventh Judicial District Court is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and income is available. All other revenues are recorded when received.

2. Expenditures

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

F. Budgetary Practices

The 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.

G. 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.

H. 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.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Note 2 - Summary of Significant Accounting Policies (Continued)

I. Memorandum Total Columns on Statements

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

Note 3 - Cash and Cash Equivalents

At December 31, 1999, the Thirty-Seventh Judicial District Court has cash and cash equivalents (book balances) totaling \$30,327 as follows:

	<u>Total</u>	<u>Judicial Expense Fund</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>
Demand Deposits	\$ 10,000	\$ 702	\$ 5,862	\$ 3,436
Certificate of Deposit	<u>20,327</u>	<u>20,327</u>	-	-
Total	<u>\$ 30,327</u>	<u>\$ 21,029</u>	<u>\$ 5,862</u>	<u>\$ 3,436</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, 1999, the Judge had \$31,853 in deposits (collected bank balances). These deposits are fully insured by the federal deposit insurance.

Note 4 - Receivables

The Judicial Expense Fund receivables of \$2,588 at December 31, 1999, 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>\$ 2,588</u>	<u>\$ 1,417</u>	<u>\$ 1,171</u>	-

Note 5 - Litigation and Claims

There is no litigation pending against the Judicial Expense Fund at December 31, 1999.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
STATE OF LOUISIANA
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Note 6 - Expenses of the Judicial District Court's Office Paid by the Police Jury

The Judicial District Court Office is located in the parish courthouse. Expenditures of maintenance and operation of the parish courthouse are paid by the Caldwell Parish Police Jury.

Note 7 - 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, 1999, the Expense Fund paid \$12,583 for those benefits.

COMPLIANCE REPORTING

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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 Judge Ronald J. Lewellyan
Thirty-Seventh Judicial District Court
State of Louisiana
Caldwell Parish

We have audited the component unit financial statements of the Thirty-Seventh Judicial District Court, as of and for the year ended December 31, 1999, and have issued our report thereon dated March 17, 2000. 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 the Thirty-Seventh Judicial District Court's component unit 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 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 the Thirty-Seventh Judicial District Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit 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 that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Judge Ronald J. Lewellyan
Thirty-Seventh Judicial District Court
Page Two

Prior Year Findings

There were no prior year audit findings.

This report is intended solely for the information and use of management of the Thirty-Seventh Judicial District Court and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Cameron, Hines & Hartl (APAC)

West Monroe, Louisiana
March 17, 2000

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999

We have audited the component unit financial statements of Thirty-Seventh Judicial District Court as of and for the year ended December 31, 1999, and have issued our report thereon dated March 17, 2000. 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. Our audit of the financial statements as of December 31, 1999, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weaknesses yes no Reportable Conditions yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards – N/A

Internal Control

Material Weaknesses yes no Reportable Conditions yes no

Type of Opinion on Compliance
For Major Programs

Unqualified Qualified
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? yes no 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
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1999

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.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 1999

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.