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TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Hester and Winbur Parishes
State of Louisiana

ANNUAL FINANCIAL REPORT

DECEMBER 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: AUG 12 1998

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUNDS
Bossier and Webster Parishes
State of Louisiana
Annual Financial Report
Year Ended December 31, 1997

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INDEPENDENT AUDITOR'S REPORT

The Honorable Judges of the
Twenty-Sixth Judicial District
Monroe and Webster Parishes, Louisiana

We have audited the accompanying general purpose financial statements of the Twenty-Sixth Judicial District Court Expense Fund as of December 31, 1993, and for the year then ended. These general purpose financial statements are the responsibility of the management of the Twenty-Sixth Judicial District Court Expense Fund. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose 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 our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Twenty-Sixth Judicial District Court Expense Fund as of December 31, 1993, 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 our report dated June 25, 1994 on our examination of the Twenty-Sixth Judicial District Court Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Jameson, Wise & Martin

Monroe, Louisiana
June 25, 1994

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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

The Honorable Judges of the
Twenty-Sixth Judicial District
Bossier and Webster Parishes, Louisiana

We have audited the general purpose financial statements of the Twenty-Sixth Judicial District Court Expense Fund as of and for the year ended December 31, 1997, and have issued our report thereon dated June 28, 1998. 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 Twenty-Sixth Judicial District Court Expense Fund's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 93-1 and 93-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twenty-Sixth Judicial District Court Expense Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Twenty-Sixth Judicial District Court Expense Fund's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 93-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the judges of the Twenty-sixth Judicial District Court, Expense Fund and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Sullivan, Winter & Hunter

Metairie, Louisiana
June 25, 1988

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUNDS
Parishes and Webster Parishes
State of Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1993

| | Governmental | |
|--|-----------------------------|---------------------------------|
| | Fund | |
| | Types | |
| | Judicial Expense Fund | Civil Support Enforcement |
| ASSETS | | |
| Cash | \$ 88,737 | 18,815 |
| Certificates of deposit | 809,741 | - |
| Due from others: | | |
| governmental units | 8,639 | - |
| funds | 18,269 | - |
| Equipment | - | - |
| Total assets | <u>\$725,386</u> | <u>18,815</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts payable | \$ 4,884 | - |
| Payroll payables and withholdings | 373 | - |
| Payable - salary related | 12,023 | - |
| Due to other funds | - | 18,269 |
| Total liabilities | <u>17,280</u> | <u>18,269</u> |
| Fund equity: | | |
| Investment in general fund assets | - | - |
| Fund balances: | | |
| Unreserved - undesignated | 708,586 | (214) |
| Total fund equity | <u>708,586</u> | <u>(214)</u> |
| Total liabilities and fund equity | <u>\$ 725,386</u> | <u>18,815</u> |

The accompanying notes are an integral part of this statement.

| <u>Account Group</u> | <u>Totals</u> | |
|----------------------|---------------------------|----------------|
| | <u>(Nonmonetary Only)</u> | |
| | <u>1997</u> | <u>1998</u> |
| - | 187,792 | 230,587 |
| - | 689,741 | 365,148 |
| - | 8,639 | 9,231 |
| - | 18,269 | 18,714 |
| <u>35,366</u> | <u>81,306</u> | <u>82,831</u> |
| <u>83,366</u> | <u>829,747</u> | <u>795,711</u> |
| - | 4,404 | 3,425 |
| - | 373 | - |
| - | 12,823 | 5,446 |
| - | 18,269 | 35,714 |
| <u>-</u> | <u>35,869</u> | <u>44,585</u> |
| <u>83,366</u> | <u>81,306</u> | <u>82,831</u> |
| - | 789,393 | 597,185 |
| <u>83,366</u> | <u>794,598</u> | <u>683,116</u> |
| <u>83,366</u> | <u>829,747</u> | <u>795,711</u> |

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Beauregard and Webster Parishes
 State of Louisiana

**Statement of Revenues, Expenditures and
 Changes in Fund Balances - Judicial Expense Fund**
 Years Ended December 31, 1997 and 1998

| | 1997 | 1998 |
|------------------------------------|------------|---------|
| Revenues: | | |
| Court fees and fines | \$ 107,917 | 114,800 |
| Interest earnings | 13,914 | 23,263 |
| Other income | 163 | 87 |
| WFO grant | 15,078 | - |
| Total revenues | 151,071 | 158,350 |
| Expenditures: | | |
| Judicial expenditures: | | |
| Secretarial salaries | - | 7,867 |
| Court administrator salary | 59,088 | - |
| Law clerk salary | 48,778 | 16,448 |
| Law clerk expense | 2,220 | 2,280 |
| Office supplies | 8,680 | 9,160 |
| Seminars and conferences | 38,866 | 24,871 |
| Books and publications | 18,961 | 9,479 |
| Accounting and audit | 4,710 | 3,715 |
| Capital outlay | 2,415 | 12,785 |
| Professional fees and fees | 2,773 | 4,510 |
| Telephone | 3,560 | 4,778 |
| Staff education | 1,688 | 729 |
| Repairs and maintenance | 4,224 | 4,719 |
| Miscellaneous | 13,887 | 8,801 |
| Total judicial expenditures | 182,269 | 111,328 |

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Rendez and Website Expenses
State of Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balances - Judicial Expense Fund
(Continued)
Years Ended December 31, 1997 and 1996

| | <u>1997</u> | <u>1996</u> |
|---|------------------|------------------|
| Non-support expenditures - | | |
| Hearing officer salary | 23,578 | 19,200 |
| Non-support secretary | 22,980 | 22,718 |
| Non-support postage | 288 | 1,883 |
| Hearing officer travel | 2,484 | 1,883 |
| Total non-support expenditures | <u>49,330</u> | <u>45,684</u> |
| FIMS grant expenditures - | | |
| FIMS salary | 9,987 | - |
| FIMS travel | 1,485 | - |
| FIMS other | 3,586 | - |
| Total FIMS grant expenditures | <u>15,058</u> | <u>-</u> |
| Total expenditures | <u>247,385</u> | <u>153,821</u> |
| Deficiency of revenues over expenditures | (88,334) | (19,871) |
| Other financing sources: | | |
| Operating transfers in | <u>198,341</u> | <u>183,878</u> |
| Excess of revenues and other sources over expenditures | 112,187 | 168,985 |
| Fund balance, beginning | <u>587,189</u> | <u>429,585</u> |
| Fund balance, ending | <u>\$799,376</u> | <u>\$598,566</u> |

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND:
Dennis and Wilbur Parishes
State of Louisiana**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Judicial Expense Fund
Year Ended December 31, 1997**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|------------------------------------|----------------|----------------|---|
| Revenues: | | | |
| Court fees and fines | \$ 117,158 | 127,917 | 10,767 |
| Interest earnings | 11,808 | 17,514 | 5,714 |
| Other income | - | 162 | 162 |
| FMS grant | <u>16,800</u> | <u>15,878</u> | <u>(922)</u> |
| Total revenues | <u>144,766</u> | <u>161,271</u> | <u>16,505</u> |
| Expenditures: | | | |
| Judicial expenditures: | | | |
| Court administrator salary | 49,800 | 50,400 | (600) |
| Law clerk salary | 27,670 | 40,775 | (13,105) |
| Law clerk expenses | 3,800 | 3,200 | 700 |
| Payroll taxes | 1,500 | - | 1,500 |
| Office supplies | 7,800 | 9,600 | (1,800) |
| Seminars and conferences | 25,800 | 20,466 | (5,334) |
| Books and publications | 9,500 | 16,861 | (7,361) |
| Accounting and audit | 3,800 | 4,710 | 290 |
| Capital outlay | 12,800 | 2,475 | 9,525 |
| Staff education | 1,800 | 1,800 | (600) |
| Professional dues and fees | 1,500 | 2,275 | (875) |
| Telephone expenses | 6,500 | 3,500 | 3,000 |
| Repairs and maintenance | - | 4,234 | (4,234) |
| Miscellaneous | <u>10,800</u> | <u>11,897</u> | <u>(1,097)</u> |
| Total judicial expenditures | <u>160,270</u> | <u>182,260</u> | <u>(21,990)</u> |

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND -
 Feeble and Welfare Payers
 State of Louisiana**

**Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - Judicial Expense Fund
 (Continued)
 Year Ended December 31, 1997**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------|-----------------|---|
| Non-support expenditures - | | | |
| Hearing officer salary | 21,000 | 21,375 | (3,375) |
| Non-support secretary | 21,780 | 21,980 | (1,900) |
| Non-support postage | 1,200 | 200 | 900 |
| Hearing officer travel | 2,000 | 2,181 | (181) |
| Total non-support expenditures | <u>47,980</u> | <u>45,736</u> | <u>(2,244)</u> |
| FMS grant expenditures - | | | |
| FMS salary | 9,763 | 9,587 | (204) |
| FMS travel | 280 | 1,493 | (1,213) |
| FMS other | 280 | 3,186 | (2,906) |
| Total FMS grant expenditures | <u>10,323</u> | <u>14,266</u> | <u>(3,943)</u> |
| Total expenditures | <u>58,303</u> | <u>60,002</u> | <u>(1,699)</u> |
| (Deficiency) excess of revenues over expenditures | <u>(70,673)</u> | <u>(58,204)</u> | <u>(12,469)</u> |
| Other financing sources: | | | |
| Operating transfers in | <u>105,000</u> | <u>108,141</u> | <u>3,141</u> |
| Excess of revenues and other sources over expenditures | <u>34,327</u> | <u>49,937</u> | <u>(15,610)</u> |
| Fund balance, beginning | <u>207,199</u> | <u>207,199</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 241,526</u> | <u>257,136</u> | <u>(15,610)</u> |

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Beauregard and Webster Parishes
State of Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balances - CIRM Support Enforcement
For the Years Ended December 31, 1997 and 1996

| | <u>1997</u> | <u>1996</u> |
|---|-------------------------|-------------------------|
| Revenues: | | |
| Mane-support revenues | \$4,685,275 | 4,173,378 |
| Administrative fees | 283,273 | 183,854 |
| Other income | <u>280</u> | <u>-</u> |
| Total revenues | <u>4,968,768</u> | <u>4,357,232</u> |
| Expenditures: | | |
| Department of Social Services | 4,685,275 | 4,173,399 |
| Refunds | 3,782 | 1,087 |
| Bank service charges | 1,278 | 8 |
| NSF checks | <u>342</u> | <u>-68</u> |
| Total expenditures | <u>4,780,677</u> | <u>4,174,590</u> |
| Excess of revenues over expenditures | 188,091 | 182,642 |
| Other financing uses: | | |
| Operating transfers out | <u>(188,243)</u> | <u>(187,874)</u> |
| Excess (deficiency) of revenues over expenditures and other uses | (152) | (232) |
| Fund balance, beginning | <u>(114)</u> | <u>128</u> |
| Fund balance, ending | <u>\$ (214)</u> | <u>(114)</u> |

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH DISTRICT COURT EXPENSE FUND
Assiati and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 1997

INTRODUCTION

The Twenty-Sixth Judicial District Court Expense Fund was established under Louisiana Revised Statutes 13:965.38 which provides for a separate fund for the receipt and disbursement of designated court fees, costs or forfeitures imposed under the law for the judicial expense fund. The judicial expense fund is administered by the judges, on behalf of the Twenty-Sixth Judicial District. The monies of the Twenty-Sixth Judicial District Court Expense Fund may be expended for those expenditures deemed necessary for the proper operation of the court including clerical and other necessary personnel, law library costs, court equipment and supplies, and travel expenses and fees incurred by any judge or clerk in attending arraignments or conferences. No salaries may be paid to any of the judges of the district from the judicial expense fund.

The accounting and reporting policies of the Twenty-Sixth Judicial District Court Expense Fund conform to generally accepted accounting principles as applicable to governmental entities.

1. Summary of significant accounting policies

A. Reporting entity

These financial statements include only information pertaining to the transactions of the Twenty-Sixth Judicial District Court Expense Fund. Other local governmental entities are considered separate reporting entities and are thus excluded from the accompanying financial statements.

B. Fund accounting

The accounts of the Twenty-Sixth Judicial Court Expense fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Governmental revenues are identified to and accounted for in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The Twenty-Sixth Judicial District Court Expense Fund maintains two governmental fund types.

TWENTY-SIXTH DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 1997

The Judicial Expense Fund is the general operating fund of the Twenty-Sixth Judicial District Court Expense Fund and is used to account for all funds received and expended in accordance with Louisiana Revised Statute 15:196.18. The Child Support Enforcement Fund was established in accordance with Louisiana Revised Statute 46:236.5. This fund is used to account for all funds received and expended for the expedited process for establishment of paternity and establishment or enforcement of support obligation which are brought by the Department of Social Services.

C. *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 refers to the timing of the measurements made, regardless of the measurement focus applied. The two funds of the Twenty-Sixth Judicial District Court Expense Fund are accounted for using the modified accrual basis of accounting.

Revenues

Fines, bonds (forfeited), civil fees, probate fees, and adoption fees imposed by the district courts are recorded in the year they are collected by the district courts within the judicial district.

The program director fees based on a 1% surcharge on child support payments within the Twenty-Sixth Judicial District are recorded when the income is available.

Interest earned on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

Expenditures

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

TWENTY-SIXTH DISTRICT COURT EXPENSE FUND
Heald and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 1997

D. Budget and budgetary accounting.

Annually, the judges prepare a budget for the Expense Fund on the modified accrual basis of accounting. The authority to amend the budget is reserved by the judges. Formal budget integration (in the accounting records) is employed as a management control device during the year. Appropriations lapse at year end and a system of encumbrance accounting is not used by the expense fund. No budget was prepared for the Child Support Enforcement Fund for the year ending December 31, 1997.

E. Cash and cash equivalents.

At December 31, 1997, the Twenty-Sixth Judicial District Court Expense Fund has cash and cash equivalents as shown below:

| | Bank | Bank |
|---------------------------|------------------|------------------|
| | Balance | Balance |
| Demand deposits | \$ 18,855 | \$ 18,269 |
| Interest-bearing deposits | 89,717 | 89,716 |
| Contributions of deposits | (69,241) | (69,241) |
| Total | \$119,331 | \$138,746 |

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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, 1997, the Twenty-Sixth Judicial District Court Expense Fund has \$718,746 in deposits. These deposits are secured from risk by \$626,898 of federal deposit insurance. The remaining balance of \$81,758 is not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 79:1239 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Twenty-Sixth Judicial District Court Expense Fund that the fiscal agent has failed to pay deposited funds upon demand.

TWENTY-SIXTH DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 1991

F. Fixed assets and long-term liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its management level.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded at expected costs in the governmental fund types when purchased. General fixed assets provided by the parish police juries are not recorded within the General Fixed Assets Account Group. Fixed assets are valued at historical cost or estimated historical cost or, if donated, at fair market value on the date donated. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the Group Long-Term Debt Account Group. No long-term liabilities existed at December 31, 1991.

G. Total columns on combined statements

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

H. Pension and sick leave

All of the employees of the expense fund are considered employees of either the Bossier or Webster Parish Police Juries. At December 31, 1991, the expense fund had no full-time employees. Accordingly, there are no accumulated and vested benefits relating to annual and sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

TWENTY-SIXTH DISTRICT COURT EXPENSE FUND
Bozser and Webster Parishes
State of Louisiana

Notes to Financial Statements
 December 31, 1997

2. Due from other governmental units

Amounts due from other governmental units are as follows:

| | | |
|-------------------------------------|----------------|----------------|
| | 1997 | 1996 |
| Bozser Parish Clerk of Court | \$ 828 | 880 |
| Bozser Parish Sheriff's Department | 2,209 | 4,754 |
| Webster Parish Clerk of Court | 345 | 336 |
| Webster Parish Sheriff's Department | 2,381 | 3,347 |
| Webster Parish Police Jury | 2,388 | ----- |
| Totals | \$8,631 | \$9,317 |

3. Changes in general fund assets

A summary of changes in general fund assets follows:

| | Balance January 1, 1997 | Additions | Deletions | Balance December 31, 1997 |
|-----------|----------------------------|-----------|-----------|------------------------------|
| Equipment | \$12,811 | 2,015 | --- | \$14,826 |

4. Pension Plan

All of the expense fund's employees are considered employees of the Bozser and Webster Parish Police Juries and, accordingly, are enrolled by the respective Police Juries as members of Plan A, of the Periodical Employee Retirement System of Louisiana ("System"), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The respective Police Juries and the expense fund do not guarantee any of the benefits granted by the System.

5. Assets

The expense fund does not have any capital or operating assets at December 31, 1997.

6. Litigation

There is no litigation pending against the expense fund at December 31, 1997.

TWENTY-SIXTH DISTRICT COURT EXPENSE FUND
Bozard and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 1997

7. Arrangements with parish governments

The district judges' office space including utilities and certain office equipment and furniture are furnished by the Bozard and Webster Parishes Police Jurist free of charge.

8. Child Support Enforcement Fund

As established by Louisiana Revised Statute 46:216.5, which allows any court to establish or enforce support obligations to implement an expedited process for the establishment or enforcement of support, and which provides, that the judges of the appropriate court shall oversee the operations of the fund and shall appoint a hearing officer to hear support and support related matters. At the end of the reporting period all available funds from the Child Support Enforcement Fund are to be transferred to the general operating account of the Expense Fund. These funds of \$198,341 were transferred to the Expense Fund and are shown as "Other Financing Sources - Operating Transfers In" in the accompanying financial statements.

9. Deficit in Fund Balance

During the year ended December 31, 1997, the Child Support Enforcement Fund had a deficit in its fund balance of \$(214).

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Rendon and Webster Parishes
State of Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 1997

87-1: 5% Budget Variance

The State of Louisiana, in USA Revised Statute 29:1205-1214, requires a budget to be prepared and adopted before the fiscal year begins. The Twenty-Sixth Judicial District Court Expense Fund has prepared a budget in accordance with these statutes. However, the statutes also require amendments to the budget be made a part of public documents when there is a budget variance of more than 5% in revenues and expenditures. During the year, the Twenty-Sixth Judicial District Court Expense Fund experienced variances in actual expenditures to budgeted expenditures in excess of the 5% limit.

87-2: Uncollateralized Deposits

The State of Louisiana, in USA Revised Statute 29:1229, requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. For the year ended December 31, 1997, the Twenty-Sixth Judicial District Court Expense Fund has \$81,156 in deposits that are not secured by either federal deposit insurance or the pledge of securities (Note 1). It is management's assertion that securities were pledged for the amount of their deposits over FDIC insurance in accordance with Louisiana Revised Statutes. However, during the course of this audit, we did not receive evidence of the pledged securities on the success deposits.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bozard and Webster Parishes
State of Louisiana

CORRECTIVE ACTION PLAN
December 31, 1997

MANAGEMENT'S RESPONSE

97-1: The Twenty-Sixth Judicial District Court Expense Fund will continue to review its budget each year and make appropriate amendments to remain within the 5 percent budget variance requirements. Budget amendments will be prepared in accordance with Louisiana Revised Statutes at the time the annual budget is prepared at the end of the year.

97-2: The Twenty-Sixth Judicial District Court Expense Fund was assured by the financial agent bank that all of its deposits were adequately secured by FDIC insurance and any excess by pledged securities. Upon further investigation, the District found that a bank coding error occurred, which caused the interest bearing demand deposit account to be unsecured. The bank stated that the account was not shown as a governmental entity account and, therefore, the account was not assigned pledged securities when its balance exceeded \$100,000. The bank states that the problem has been resolved and that all of the District's deposits will be adequately secured for the fiscal year December 31, 1998.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

SUMMARY OF PRIOR YEAR AUDIT FINDINGS
December 31, 1995

1. The State of Louisiana, in LSA Revised Statutes 39:1301-1314, requires a budget to be prepared and adopted before the fiscal year begins. The Twenty-Sixth Judicial District Court Expense Fund has prepared a budget in accordance with these statutes. However, the statutes also require amendments to the budget be made a part of public documents when there is a budget variance of more than 5% in revenues and expenditures. During the year, the Twenty-Sixth Judicial District Court Expense Fund experienced variances in actual expenditures to budgeted expenditures in excess of the 5% limit.

FOLLOW-UP - See current year finding 87-1.

2. The State of Louisiana, in LSA Revised Statute 39:1223, requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. For the year ended December 31, 1995, the Twenty-Sixth Judicial District Court Expense Fund has \$118,345 in deposits that are not secured by either federal deposit insurance or the pledge of securities (Note 1).

FOLLOW-UP - See current year finding 87-2.