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Release Date FEB 26 1997

**VERNON R
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CERTIFIED PUBLIC ACCOUNTANT

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**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland, and West Carroll, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1996
With Supplemental Information Schedules**

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended December 31, 1996
With Supplemental Information Schedules

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FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana
 Contents, December 31, 1996

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Independent Auditor's Report

HONORABLE E. RUDOLPH MCINTYRE, JR.,
GLYNN D. ROBERTS, AND GLENN W. STRONG,
JUDGES OF THE FIFTH JUDICIAL DISTRICT
Parishes of Franklin, Richland, and West Carroll, Louisiana

I have audited the general purpose financial statements of the Fifth Judicial District - Judicial Expense Fund, a component unit of the Franklin, Richland, and West Carroll Police Juries, as of December 31, 1996, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Fifth Judicial District - Judicial Expense Fund's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Fifth Judicial District - Judicial Expense Fund as of December 31, 1996, and the results of its operations for each of the years in the two year period then ended in conformity with generally accepted accounting principles.

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FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana
Independent Auditor's Report,
December 31, 1996

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Fifth Judicial District - Judicial Expense Fund. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued reports dated January 21, 1997, on the Fifth Judicial District - Judicial Expense Fund's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control structure.


West Monroe, Louisiana
January 21, 1997

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1996

	GOVERNMENTALFUND TYPE....		FIDUCIARY FUND TYPE - CHILD SUPPORT	ACCOUNT GROUP - GENERAL	TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	AGENCY FUND	FIXED ASSETS	
ASSETS					
Cash and cash equivalents	\$58,865	\$88,564	\$7,340		\$154,769
Receivables	4,199				4,199
Due from Child Support Fund		7,340			7,340
Office furnishings and equipment				\$104,065	104,065
TOTAL ASSETS	<u>\$63,064</u>	<u>\$95,904</u>	<u>\$7,340</u>	<u>\$104,065</u>	<u>\$270,373</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$5,376				\$5,376
Payroll taxes payable		\$2,753			2,753
Due to Hearing Officer Fund			\$7,340		7,340
Total Liabilities	<u>5,376</u>	<u>2,753</u>	<u>7,340</u>	<u>NONE</u>	<u>15,469</u>
Fund Equity:					
Investment in general fixed assets				\$104,065	104,065
Fund balances - unreserved - undesignated	57,688	93,151			150,839
Total Fund Equity	<u>57,688</u>	<u>93,151</u>	<u>NONE</u>	<u>104,065</u>	<u>254,904</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$63,064</u>	<u>\$95,904</u>	<u>\$7,340</u>	<u>\$104,065</u>	<u>\$270,373</u>

The accompanying notes are an integral part of this statement.

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana
GOVERNMENTAL FUND TYPE**

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1996**

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL - (MEMORANDUM ONLY)
REVENUES			
Intergovernmental - local funds		\$10,800	\$10,800
Fees, charges, and commissions for services:			
Filing fees	\$29,355		29,355
Court costs	29,591	69,987	99,578
Fines and forfeitures		22,800	22,800
Use of money and property - interest earnings	3,022	1,200	4,222
Other revenues	207		207
Total revenues	62,175	104,787	166,962
EXPENDITURES			
General government - judicial:			
Current:			
Personal services and related benefits	7,939	88,234	96,173
Operating services	35,511	4,910	40,421
Materials and supplies	21,673	4,216	25,889
Travel and other charges	3,181	1,430	4,611
Total expenditures	68,304	98,790	167,094
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(6,129)	5,997	(132)
OTHER FINANCING SOURCES (Uses)			
Operating transfers in		4,800	4,800
Operating Transfers Out	(4,800)		(4,800)
Total other financing sources (uses)	(4,800)	4,800	NONE
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(10,929)	10,797	(132)
FUND BALANCES AT BEGINNING OF YEAR	68,617	82,354	150,971
FUND BALANCES AT END OF YEAR	\$57,688	\$93,151	\$150,839

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana
 GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 1995

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL - (MEMORANDUM ONLY)
REVENUES			
Intergovernmental - local funds		\$8,329	\$8,329
Fees, charges, and commissions for services:			
Filing fees	\$28,349		28,349
Court costs	31,298	64,482	95,780
Fines and forfeitures	38	22,800	22,838
Use of money and property - interest earnings	3,237	872	4,109
Other revenues	3,850	581	4,431
Total revenues	66,772	97,064	163,836
EXPENDITURES			
General government - judicial:			
Current:			
Personal services and related benefits	7,057	94,540	101,597
Operating services	37,903	2,116	40,019
Materials and supplies	13,400	3,942	17,342
Travel and other charges	676	2,775	3,451
Capital outlay	8,235	500	8,735
Total expenditures	67,271	103,873	171,144
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(499)	(6,809)	(7,308)
FUND BALANCES AT BEGINNING OF YEAR	69,116	89,163	158,279
FUND BALANCES AT END OF YEAR	\$68,617	\$82,354	\$150,971

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (Cash Basis) and Actual
 For the Year Ended December 31, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Fees, charges, and commissions for services:			
Filing fees	\$26,000	\$29,175	\$3,175
Court costs	29,000	29,293	293
Use of money and property - interest earnings	2,000	3,022	1,022
Other revenues		207	207
Total revenues	<u>57,000</u>	<u>61,697</u>	<u>4,697</u>
EXPENDITURES			
General government - judicial:			
Current:			
Personal services and related benefits	33,900	7,328	26,572
Operating services	40,000	34,638	5,362
Materials and supplies	15,000	19,284	(4,284)
Travel and other charges	2,000	3,181	(1,181)
Capital outlay	5,000		5,000
Total expenditures	<u>95,900</u>	<u>64,431</u>	<u>31,469</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(38,900)	(2,734)	36,166
OTHER FINANCING USES			
Operating transfers out	<u>NONE</u>	<u>(4,800)</u>	<u>(4,800)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USES	<u>(38,900)</u>	<u>(7,534)</u>	<u>31,366</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>66,927</u>	<u>66,399</u>	<u>(528)</u>
FUND BALANCES AT END OF YEAR	<u>\$28,027</u>	<u>\$58,865</u>	<u>\$35,638</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (Cash Basis) and Actual
 For the Year Ended December 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Fees, charges, and commissions for services:			
Filing fees	\$26,685	\$26,129	(\$556)
Court costs	28,999	28,733	(266)
Fines and forfeitures		5,633	5,633
Use of money and property - interest earnings	200	3,237	3,037
Other revenues		18,850	18,850
Total revenues	<u>55,884</u>	<u>82,582</u>	<u>26,698</u>
EXPENDITURES			
General government - judicial:			
Current:			
Personal services and related benefits	32,700	7,058	25,642
Operating services	33,301	57,085	(23,784)
Materials and supplies	17,000	13,555	3,445
Travel and other charges	2,000	626	1,374
Capital outlay	5,000	5,881	(881)
Total expenditures	<u>90,001</u>	<u>84,205</u>	<u>5,796</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(34,117)	(1,623)	32,494
FUND BALANCES AT BEGINNING OF YEAR	<u>58,096</u>	<u>68,022</u>	<u>9,926</u>
FUND BALANCES AT END OF YEAR	<u>\$23,979</u>	<u>\$66,399</u>	<u>\$42,420</u>

The accompanying notes are an integral part of this statement.

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana**

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 15 of the Louisiana Constitution of 1974, the judges of the Fifth Judicial District serve a six-year term. The judicial district shall have original jurisdiction of all civil and criminal matters, including felony cases and cases involving title to immovable property, probate and succession matters, and other matters as provided by law. The Fifth Judicial District encompasses the parishes of Franklin, Richland, and West Carroll, Louisiana.

A. REPORTING ENTITY

As governing authorities of the parishes, for reporting purposes, the Franklin, Richland, and West Carroll Parish Police Juries are considered separate financial reporting entities. The financial reporting entity consists of (a) the primary government (the police jury), (b) organizations 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Franklin, Richland, and West Carroll Parish Police Juries for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entities is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body,
and
 - a. The ability of the police jury to impose its will on
that organization and/or

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Franklin, Richland, and West Carroll Parish police juries maintain and operate the parish courthouses in which the district judges' offices are located, the Fifth Judicial District - Judicial Expense Fund was determined to be a component unit of the police juries, the financial reporting entities. The accompanying financial statements present information only on the funds maintained by the Fifth Judicial District - Judicial Expense Fund and do not present information on the police juries, the general government services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

B. FUND ACCOUNTING

The district 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND**
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of the following fund types:

Governmental Funds

**General Fund - Judicial
Expense Fund**

The General Fund, as provided by Louisiana Revised Statute 13:996.43, is the principal fund and is used to account for the operations of the judges' offices. The fund's primary sources of revenues are court costs on civil suits and proceedings, criminal convictions, bond forfeitures, and filing fees.

Special Revenue Funds

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

Fiduciary Fund Type - Child Support Agency Fund

The Child Support Agency Fund is used to account for assets held by the district as an agent for other governments and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. General fixed assets provided by the police jury are not recorded in the general

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

fixed assets account group. All fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets. There are no long-term obligations at December 31, 1996.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and fiduciary fund type agency funds. 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 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 district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Fees, charges, and commissions for services are recorded when the district is entitled to the funds.

Fines and forfeitures are recorded in the year they are collected by the tax collector.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Interest income on demand deposits is recorded in the month earned and credited to the account.

Substantially all other revenues are recorded when they become available.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

Based on the above criteria, fees, charges, and commissions for services and fines and forfeitures have been treated as susceptible to accrual.

Expenditures

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

E. BUDGET PRACTICES

Proposed budgets, prepared on the cash basis of accounting, are made available for public inspection no later than fifteen days prior to the beginning of each fiscal year. The budget is then formally adopted by the chief judge. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the chief judge.

For the two years ended December 31, 1996, a budget was adopted for the Judicial Expense Fund only, as provided by Louisiana Revised Statute 39:1302 of the Louisiana Local Government Budget Act.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. There were no budget amendments. The following schedule reconciles the excess of revenues over expenditures as shown on the budget comparison Statements D and E to the same amounts shown on Statements B and C (GAAP Basis) for the General Fund:

	<u>1996</u>	<u>1995</u>
Excess (deficiency) of revenues over expenditures (budget basis)	(\$7,534)	(\$1,623)
Adjustments:		
Receivables	479	(810)
Payables	<u>(3,874)</u>	<u>1,934</u>
Excess (deficiency) of revenues over expenditures (GAAP basis)	<u>(\$10,929)</u>	<u>(\$499)</u>

**FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)**

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The judges may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1996, the district has cash and cash equivalents totaling \$154,769 as follows:

Demand deposits	\$104,769
Time deposits	<u>50,000</u>
Total	<u>\$154,769</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. Deposit balances (bank balances) at December 31, 1996 total \$155,133 and are fully secured by federal deposit insurance.

G. VACATION AND SICK LEAVE

The Fifth Judicial District - Judicial Expense Fund has no annual and sick leave policy.

**H. TOTAL COLUMNS ON THE
 COMBINED STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis (overview). Data in these columns do not present 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.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

2. RECEIVABLES

The General Fund receivables of \$4,199 at December 31, 1996, are as follows:

<u>Class of Receivable</u>	
Fees, charges, and commissions for services:	
Filing fees	\$1,905
Court costs	<u>2,294</u>
Total	<u>\$4,199</u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment for the two years ended December 31, 1996 follows:

Balance, January 1, 1995	\$95,330
Additions:	
1995	8,735
1996	
Deletions:	
1995	NONE
1996	
Balance, December 31, 1996	<u>\$104,065</u>

4. PENSION PLAN

Substantially all employees of the Fifth Judicial District - Judicial Expense Fund are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The judge's secretary is a member of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND**
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Fifth Judicial District - Judicial Expense Fund is required to contribute at an actuarially determined rate. The current rate is 8.00 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Fifth Judicial District - Judicial Expense Fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Fifth Judicial District - Judicial Expense Fund's contributions to the System under Plan A for the years ending December 31, 1996, 1995, and 1994, were \$1,754, \$1,840, and \$1,782, respectively, equal to the required contributions for each year.

5. CHANGES IN CHILD SUPPORT AGENCY FUND

A summary of changes in balances due to others for the two years ended December 31, 1996, follows:

**FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND**
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

Balance at January 1, 1995	NONE
Additions:	
1995	\$1,500,750
1996	\$1,579,246
Reductions:	
1995	(1,500,750)
1996	<u>(1,579,246)</u>
Balance at December 31, 1996	<u><u>NONE</u></u>

6. LITIGATION AND CLAIMS

The Fifth Judicial District - Judicial Expense Fund is not involved in any litigation at December 31, 1996, nor is it aware of any unasserted claims.

**7. EXPENDITURES OF THE FIFTH JUDICIAL
 DISTRICT - JUDICIAL EXPENSE FUND
 NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain expenditures, e.g. judge's salaries and secretary's salaries of the judges domiciled in Franklin and West Carroll Parishes. These expenditures are paid out of the funds of the criminal court, the parish police juries, or directly by the state.

SUPPLEMENTAL INFORMATION SCHEDULES

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Two Years Ended December 31, 1996**

SPECIAL REVENUE FUNDS

RICHLAND PARISH DISTRICT JUDGE'S FUND

The Richland Parish District Judge's Fund is used to account for the salary of the secretary for the judge domiciled in Richland Parish. Financing is provided by a portion of fines collected for the Criminal Court Fund of the parish.

SPECIAL EXCESSIVE COSTS FUND

The Special Excessive Costs Fund was established in accordance with Louisiana Revised Statute 15:571.11. Surplus monies in the Fifth Judicial District Criminal Court Fund are deposited into this special fund by motion of the district attorney and with the concurrence of the chief judge of the Fifth Judicial District. The total amount of monies deposited into this fund shall not exceed fifty thousand dollars in any calendar year. Monies in this fund are only used to defray excessive costs incurred in first degree murder cases or very serious felony trials wherein venue has been changed.

HEARING OFFICER FUND

The Hearing Officer Fund accounts for a 5 percent fee assessed in non-support cases which go through the state's Child Support Enforcement program. These fees are used to pay the salary of the hearing officer appointed by the judges of the Fifth Judicial District to hear support and support related matters and well as other expenditures incurred in connection the implementation of this procedure.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana
 SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1996

	RICHLAND PARISH DISTRICT JUDGE'S	SPECIAL EXCESSIVE COSTS	HEARING OFFICER	TOTAL
ASSETS				
Cash	\$21,588	\$19,134	\$47,842	\$88,564
Due from Child Support Fund			7,340	7,340
TOTAL ASSETS	<u>\$21,588</u>	<u>\$19,134</u>	<u>\$55,182</u>	<u>\$95,904</u>
LIABILITIES AND FUND EQUITY				
Payroll taxes payable	\$1,680		\$1,073	\$2,753
Fund Equity - fund balance - unreserved - undesignated	<u>19,908</u>	<u>\$19,134</u>	<u>54,109</u>	<u>93,151</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$21,588</u>	<u>\$19,134</u>	<u>\$55,182</u>	<u>\$95,904</u>

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana
SPECIAL REVENUE FUNDS**

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1996

	<u>RICHLAND PARISH DISTRICT JUDGE'S</u>	<u>SPECIAL EXCESSIVE COSTS</u>	<u>HEARING OFFICER</u>	<u>TOTAL</u>
REVENUES				
Intergovernmental - local funds	\$10,800			\$10,800
Fees, charges, and commissions for services - court costs			\$69,987	69,987
Fines and forfeitures	22,800			22,800
Use of money and property - interest earnings	585	\$615		1,200
Total revenues	<u>34,185</u>	<u>615</u>	<u>69,987</u>	<u>104,787</u>
EXPENDITURES				
General government - judicial:				
Current:				
Personal services and related benefits	31,748		56,486	88,234
Operating services	148		4,762	4,910
Materials and supplies	143		4,073	4,216
Travel and other charges	275		1,155	1,430
Total expenditures	<u>32,314</u>	<u>NONE</u>	<u>66,476</u>	<u>98,790</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,871	615	3,511	5,997
OTHER FINANCING SOURCES				
Operating transfers in	<u>4,800</u>	<u>NONE</u>	<u>NONE</u>	<u>4,800</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>6,671</u>	<u>615</u>	<u>3,511</u>	<u>10,797</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>13,237</u>	<u>18,519</u>	<u>50,598</u>	<u>82,354</u>
FUND BALANCES AT END OF YEAR	<u>\$19,908</u>	<u>\$19,134</u>	<u>\$54,109</u>	<u>\$93,151</u>

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana
SPECIAL REVENUE FUNDS**

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995

	<u>RICHLAND PARISH DISTRICT JUDGE'S</u>	<u>SPECIAL EXCESSIVE COSTS</u>	<u>HEARING OFFICER</u>	<u>TOTAL</u>
REVENUES				
Intergovernmental - local funds	\$8,329			\$8,329
Fees, charges, and commissions for services - court costs			\$64,482	64,482
Fines and forfeitures	\$22,800			22,800
Use of money and property - interest earnings	282	\$590		872
Other revenue	581			581
Total revenues	<u>31,992</u>	<u>590</u>	<u>64,482</u>	<u>97,064</u>
EXPENDITURES				
General government - judicial:				
Current:				
Personal services and related benefits	29,345		65,195	94,540
Operating services	75		2,041	2,116
Materials and supplies	229		3,713	3,942
Travel and other charges	181		2,594	2,775
Capital outlay			500	500
Total expenditures	<u>29,830</u>	<u>NONE</u>	<u>74,043</u>	<u>103,873</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,162	590	(9,561)	(6,809)
FUND BALANCES AT BEGINNING OF YEAR	<u>11,075</u>	<u>17,929</u>	<u>60,159</u>	<u>89,163</u>
FUND BALANCES AT END OF YEAR	<u>\$13,237</u>	<u>\$18,519</u>	<u>\$50,598</u>	<u>\$82,354</u>

**Independent Auditor's Reports Required
by *Government Auditing Standards***

The following independent auditor's reports on compliance with laws, regulations, and contracts and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditor's Report on Compliance
With Laws, Regulations, and Contracts**

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

HONORABLE E. RUDOLPH MCINTYRE, JR.,
GLYNN D. ROBERTS, AND GLENN W. STRONG,
JUDGES OF THE FIFTH JUDICIAL DISTRICT
Parishes of Franklin, Richland, and West Carroll, Louisiana

I have audited the general purpose financial statements of the Fifth Judicial District - Judicial Expense Fund, a component unit of the Franklin, Richland, and West Carroll Police Juries, as of December 31, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated January 21, 1997.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the Fifth Judicial District - Judicial Expense Fund, is the responsibility of the Fifth Judicial District - Judicial Expense Fund's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Fifth Judicial District - Judicial Expense Fund's compliance with certain provisions of laws and regulations. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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HONORABLE E. RUDOLPH MCINTYRE, JR.,
GLYNN D. ROBERTS, AND GLENN W. STRONG,
JUDGES OF THE FIFTH JUDICIAL DISTRICT
Parishes of Franklin, Richland, and West Carroll, Louisiana
Independent Auditor's Report on Compliance, etc.,
December 31, 1996

This report is intended for the information of the management of the Fifth Judicial District - Judicial Expense Fund. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be "Vernon R. ...", written in a cursive style.

West Monroe, Louisiana
January 21, 1997



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Independent Auditor's Report on the Internal Control Structure

HONORABLE E. RUDOLPH MCINTYRE, JR.,
GLYNN D. ROBERTS, AND GLENN W. STRONG,
JUDGES OF THE FIFTH JUDICIAL DISTRICT
Parishes of Franklin, Richland, and West Carroll, Louisiana

I have audited the general purpose financial statements of the Fifth Judicial District - Judicial Expense Fund, a component unit of the Franklin, Richland, and West Carroll Police Juries, as of December 31, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated January 21, 1997.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

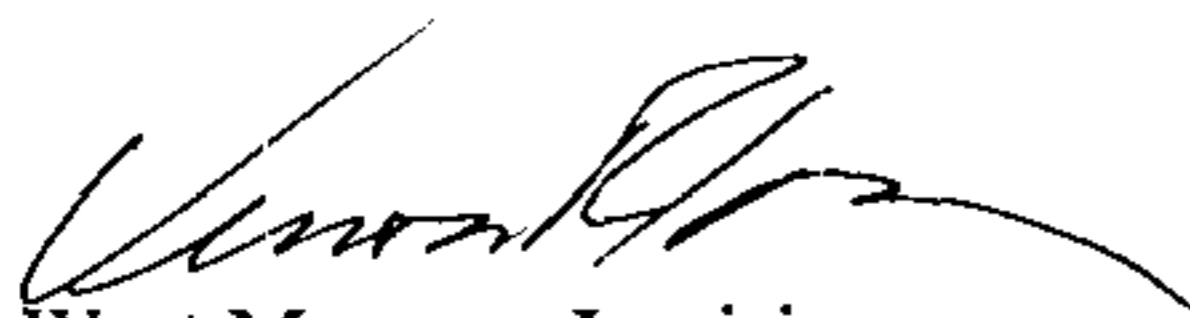
The management of the Fifth Judicial District - Judicial Expense Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

HONORABLE E. RUDOLPH MCINTYRE, JR.,
GLYNN D. ROBERTS, AND GLENN W. STRONG,
JUDGES OF THE FIFTH JUDICIAL DISTRICT
Parishes of Franklin, Richland, and West Carroll, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1996

In planning and performing my audit of the general purpose financial statements of the Fifth Judicial District - Judicial Expense Fund for the two years ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the management of the Fifth Judicial District - Judicial Expense Fund. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
January 21, 1997