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THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
FINANCIAL REPORT
YEARS ENDED
JUNE 30, 1996 AND 1995

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 ~~SEP 04 1996~~

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
JUNE 30, 1996 AND 1995

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GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Richard N. Ware, District Judge
Thirty-Ninth Judicial District Court of Louisiana
P. O. Box 401
Coushatta, Louisiana 71019

We have audited the accompanying general purpose financial statements of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana as of and for the years ended June 30, 1996 and 1995, as listed in the table of contents. These financial statements are the responsibility of the management of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-128, "Audits of State and Local Governments". Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana as of June 30, 1996 and 1995, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated August 15, 1996 on our consideration of the Thirty-Ninth Judicial District Court Expense Fund's internal control structure and a report dated August 15, 1996 on its compliance with laws and regulations.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule, comparative Statements of Expenditures, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

Hines, Jackson & Hines
Natchitoches, Louisiana
August 15, 1996

COMBINED STATEMENTS - OVERVIEW

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996

	Governmental Fund Types
	General Fund
ASSETS	
Cash	\$ 13,327
Due from other governments	5,068
Furniture and equipment	0
Total Assets	\$ 18,395
LIABILITIES	
Accounts payable	\$ 1,778
Payroll and Withheld income taxes payable	865
Pension contributions payable	761
Total Liabilities	3,404
FUND EQUITY	
Investment in general fixed assets	0
Fund balance - unreserved - undesignated	14,991
Total Fund Equity	14,991
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,395

The notes to the financial statements are an integral part of this statement.

<u>Account Groups</u> <u>General Fixed Assets</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>1996</u>	<u>1995</u>
\$ 0	\$ 13,327	\$ 1,528
0	5,068	6,721
<u>12,485</u>	<u>12,485</u>	<u>12,010</u>
<u>\$ 12,485</u>	<u>\$ 30,880</u>	<u>\$ 20,259</u>
\$ 0	\$ 1,778	\$ 3,226
0	865	728
<u>0</u>	<u>761</u>	<u>601</u>
0	3,404	4,555
12,485	12,485	12,010
<u>0</u>	<u>14,991</u>	<u>3,694</u>
<u>12,485</u>	<u>27,476</u>	<u>15,704</u>
<u>\$ 12,485</u>	<u>\$ 30,880</u>	<u>\$ 20,259</u>

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1995

	Governmental Fund Types
	General Fund
ASSETS	
Cash	\$ 1,528
Due from other governments	6,721
Furniture and equipment	0
Total Assets	\$ 8,249
LIABILITIES	
Accounts payable	\$ 3,226
Withheld income taxes payable	728
Pension contributions payable	601
Total Liabilities	4,555
FUND EQUITY	
Investment in general fixed assets	\$ 0
Fund balance - unreserved - undesignated	3,694
Total Fund Equity	\$ 3,694
TOTAL LIABILITIES AND FUND EQUITY	8,249

The notes to the financial statements are an integral part of this statement.

Account Groups
General Fixed Assets

Totals
(Memorandum Only)

	<u>1995</u>	<u>1994</u>
\$ 0	\$ 1,528	\$ 8,388
0	6,721	5,055
<u>12,010</u>	<u>12,010</u>	<u>5,226</u>
<u>\$ 12,010</u>	<u>\$ 20,259</u>	<u>\$ 18,669</u>
\$ 0	\$ 3,226	\$ 2,595
0	728	640
<u>0</u>	<u>601</u>	<u>504</u>
0	4,555	3,739
12,010	12,010	5,226
<u>0</u>	<u>3,694</u>	<u>9,704</u>
<u>12,010</u>	<u>15,704</u>	<u>14,930</u>
<u>\$ 12,010</u>	<u>\$ 20,259</u>	<u>\$ 18,669</u>

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1996

	Governmental Fund Types		VARIANCE- FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES:			
Bail Bond Income	\$ 2,000	\$ 1,921	\$ (79)
Court costs	31,000	30,940	(60)
Inter-governmental	55,000	55,706	706
Total Revenues	88,000	88,567	567
EXPENDITURES:			
GENERAL GOVERNMENT			
Personnel services	47,000	46,629	371
Pension and fringe benefits	5,000	5,030	(30)
Education and related costs	10,500	10,401	99
Materials and supplies	2,500	2,495	5
Other services and charges	11,500	12,240	(740)
CAPITAL OUTLAY	500	475	25
Total Expenditures	77,000	77,270	(270)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 11,000	11,297	\$ 297
FUND BALANCE, beginning of year		3,694	
FUND BALANCE, end of year		\$ 14,991	

The notes to the financial statements are an integral part of this statement.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1995

	<u>Governmental Fund Types</u>		VARIANCE- FAVORABLE (UNFAVORABLE)
	<u>General Fund</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	
REVENUES:			
Bail Bond Income	\$ 2,000	\$ 2,096	\$ 96
Court costs	36,000	35,652	(348)
Inter-government	<u>42,000</u>	<u>41,956</u>	<u>(44)</u>
Total Revenues	80,000	79,704	(296)
EXPENDITURES:			
GENERAL GOVERNMENT			
Personnel services	44,000	43,620	416
Pension and fringe benefits	4,700	4,676	(12)
Education and related costs	9,500	9,678	(178)
Materials and supplies	3,300	3,448	(148)
Other services and charges	17,200	17,508	(308)
CAPITAL OUTLAY	<u>6,500</u>	<u>6,784</u>	<u>(284)</u>
Total Expenditures	<u>85,200</u>	<u>85,714</u>	<u>(514)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (5,200)</u>	(6,010)	<u>\$ (810)</u>
FUND BALANCE, beginning of year		<u>9,704</u>	
FUND BALANCE, end of year		<u>\$ 3,694</u>	

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996

The financial statements of the Thirty-Ninth Judicial District Court Expense Fund have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Fund's Financial Report.

(1) Summary of Significant Accounting Policies

The following is a summary of certain significant accounting policies:

A. Financial reporting entity -

The Thirty-Ninth Judicial District Court Expense Fund was created by an act of the Legislature of Louisiana during their 1980 regular session. The Fund began operating in March 1980. The judge of the Thirty-Ninth Judicial District, who is an elected official, has control over the Fund and all disbursements made therefrom. The Thirty-Ninth Judicial District encompasses Red River Parish, Louisiana.

The accounting and reporting policies of the Thirty-Ninth Judicial District Court Expense Fund conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

As the governing authority of the parish, for reporting purposes, the Red River Parish Police Jury is the financial reporting entity for Red River Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement 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 Red River Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is 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
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

(1) Summary of Significant Accounting Policies - (continued)

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.

The Thirty-Ninth Judicial District Court Expense Fund is not financially dependent on the police jury and does not impose specific financial burdens on the police jury. For these reasons the court expense fund was not determined to be a component unit of the Red River Police Jury.

For financial reporting purposes the Thirty-Ninth Judicial District Court Expense Fund operates autonomously and independently from the State of Louisiana. The judge of the Thirty-ninth Judicial District, who has control over the Fund, is an elected official. The Fund has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Fund. Therefore, the Thirty-Ninth Judicial District Court Expense Fund reports as an independent reporting entity.

The accompanying financial statements present information only on the funds maintained by the Thirty-Ninth Judicial District Court Expense Fund.

B. Fund accounting -

The accounts of the Thirty-Ninth Judicial District 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 (the general fund) are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in this individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund is grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

Governmental Fund -

General Fund - The general fund is the general operating fund of the Thirty-Ninth Judicial District Court Expense Fund. It is used to account for all financial resources of the Thirty-Ninth Judicial District Court Expense Fund.

THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

(1) Summary of Significant Accounting Policies - (continued)

Account Groups

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired for general purposes. The accounting and reporting treatment applied to the fixed assets associated with the fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets. All of the Court's purchased general fixed assets are valued at historical cost. Any general fixed assets acquired through donation are valued at the estimated fair market value at the time of receipt.

Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses 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.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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.

Court costs and interest are not susceptible to accrual because generally they are not measurable until received in cash.

THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

(1) Summary of Significant Accounting Policies - (continued)

Basis of accounting - (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

Budgets and budgetary accounting -

In July 1988, the Louisiana Legislature amended and reenacted LSA - R.S. 39:1302(1), relative to the Louisiana Local Government Budget Act, to include judicial expense funds in the definition of a political subdivision. The Court prepares budgets for its General Fund on a basis consistent with generally accepted accounting principles. The adopted budgets for the fiscal years ended June 30, 1996 and 1995 are presented in the accompanying financial statements. Formal budgetary accounting is employed as a management control.

Compensated absences -

Full-time employees of the Fund earn ten days vacation leave and five days sick leave each year after completion of at least one year of employment. Leave cannot be accumulated from one calendar year to the next; therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

Cash and cash equivalents

Consistent with GASB Statement 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", the Thirty-Ninth District Court Expense Fund defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - all short term highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

Fund equity -

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

Comparative data -

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Court's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on combined statements - overview -

Total columns on the general purpose financial 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. Inter-fund eliminations have not been made in the aggregation of this data.

(2) Elected Officials

The Thirty-Ninth Judicial District Court of Louisiana is a single parish judicial district with only one elected district judge presiding. The elected judge is also the chief executive officer of the Court and as such is responsible for the proper management of the Court's Judicial Expense Fund (General Fund). During the years ended June 30, 1996 and 1995, the elected judge was Richard N. Ware whose term expires in December 1996. Under the provisions of LSA - R.S. 13:996, district judges are prohibited from paying themselves any form of compensation from their district judicial expense funds; however, they are entitled to reimbursement for reasonable travel expenses incurred in the performance of their official duties, including attendance at judicial education seminars. During the years ended June 30, 1996 and 1995, Judge Ware was reimbursed \$7,699 and \$6,753, respectively, for allowable travel expenses.

(3) Cash in Bank -

Under State law, the Thirty-Ninth Judicial District Court Expense Fund may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Fund may invest in United States bonds, treasury notes, certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana, or any other federally insured investments.

THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

(3) Cash in Bank -

As reflected on Exhibit A and B, the fund had cash in bank totaling \$13,327 and \$1,528, respectively, at June 30, 1996 and 1995. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The deposits of the Fund were fully secured by FDIC insurance at June 30, 1996.

(4) Changes in General Fixed Assets -

A Summary of changes in general fixed assets follows:

	<u>Office Furniture & Equipment</u>
Balance, June 30, 1994	\$ 5,226
Additions	<u>6,784</u>
Balance, June 30, 1995	12,010
Additions	<u>475</u>
Balance, June 30, 1996	<u>\$ 12,485</u>

(5) Retirement Commitments -

All employees of the Thirty-Ninth Judicial District Court are members of the Louisiana State Employees' Retirement System (LASERS), an agency of the State of Louisiana established under the provisions of Title 42, Chapter 10, of the Louisiana Revised Statutes of 1950. LASERS is a single employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of the State of Louisiana and its various departments and agencies and their beneficiaries. LASERS is administered and controlled by an eleven member Board of Trustees and is funded through member and employer contributions and investment earnings.

LASER employer and membership data as of June 30, 1995 is as follows:

Employer members	336
Current retirees, DROP participants, and beneficiaries	26,224
Terminated members with accumulated contributions	22,300
Active plan members	66,628

(5) Families in Need of Services -

The Thirty-Ninth Judicial District Court received \$25,000 and \$11,250 during the fiscal years ended June 30, 1996 and 1995, respectively, for the administration of the Families in Need of Services Program, Title VII of the Louisiana Children's Code within the Thirty-Ninth Judicial District. The Court incurred expenses of \$12,500 and \$11,250 during the fiscal years ended June 30, 1996 and 1995 respectively, for the administration of this program.

THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

(5) Retirement Commitments (continued) -

Total unfunded pension benefit obligations of LASERS at June 30, 1995 and 1996 were as follows:

	1995	1994
Total pension benefit obligations	\$5,696,909,256	\$5,367,394,552
Net assets available for benefits	<u>3,612,628,700</u>	<u>3,311,602,209</u>
Unfunded actuarial accrued liability	<u>2,084,280,556</u>	<u>2,055,792,343</u>

The individual "Projected Unit Credit" cost method was used to calculate the funding requirements of the retirement system. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is accumulated from the participant's attained age to the anticipated retirement dates. That portion of the actuarial present value attributable present value of future benefits in proportion to service accrued on the date of valuation is called the actuarial accrued liability.

The total actuarial determined employee contribution requirement for the System was \$197,339,946 and \$192,613,268 for June 30, 1995 and June 30, 1994, respectively. The Court's actually determined contribution requirement, 12.30% and 12.00% for 1995 and 1994, respectively, was \$5,191 and \$4,752 in 1996 and 1995, respectively, is .003% and .002% in 1996 and 1995, respectively, of the system's total requirement.

The measurement of the total pension benefit obligation is based on an actuarial valuation as of June 30, 1995 and June 30, 1994. Net assets available to pay pension benefits were valued as of the same date.

Ten-year historical trend information is presented in the June 30, 1995 Louisiana State Employees' Retirement System Annual Report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

The Thirty-Ninth Judicial District Court does not guarantee the benefits granted by LASERS.

(6) Inter-Governmental Transactions -

As of June 30, 1996 and 1995 the Sheriff of Red River Parish had collected but not remitted \$5,068 and \$6,721, respectively, of court costs assessed under LSA-R.S. 13:996.39. Accordingly, these amounts have been recognized as due from other governments and are included in the Court's revenues for the years then ended.

During each of the years ended June 30, 1996 and 1995, the Court received \$30,706 and \$30,706, respectively, either from or on behalf of the Red River Parish Criminal Courts Fund as a subsidy of the judge's secretary's salary and fringe benefits. This subsidy was paid under the general provisions of LSA-R.S. 15:571.

THIRTY-NINTH DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

(7) Litigation -

The Thirty-Ninth Judicial Court has no outstanding defensive litigation pending at June 30, 1996.

(8) Leases -

The Court had no capital leases at June 30, 1996.

(9) Long-Term Debt -

The Court had no outstanding long-term debt at June 30, 1996.

HINES, JACKSON & HINES
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Thirty-Ninth Judicial District Court Expense Fund
& The Honorable Richard N. Ware, Judge
Coushatta, Louisiana 71019

We have audited the general purpose financial statements of the Thirty-ninth Judicial District Court Expense Fund, Coushatta, Louisiana, as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated August 15, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana, is the responsibility of the management of the Thirty-Ninth Judicial District Court Expense Fund. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Fund's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instance of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management of the Thirty-Ninth Judicial District Court Expense Fund and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Hines, Jackson & Hines
Natchitoches, Louisiana
August 15, 1996

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL
PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Thirty-Ninth Judicial District Court Expense Fund
& The Honorable Richard N. Ware, Judge
Coushatta, Louisiana 71019

We have audited the general purpose financial statements of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana, as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated August 15, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana, 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 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.

In planning and performing our audit of the general purpose financial statements of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana, for the years ended June 30, 1996 and 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they had been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our 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 specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Management of the Thirty-Ninth Judicial District Court Expense Fund and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Hines, Jackson & Hines
Natchitoches, Louisiana
August 15, 1996

SUPPLEMENTARY INFORMATION

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENTS OF EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1996, 1995 AND 1994

SCHEDULE 1

	<u>1996</u>	<u>1995</u>	<u>1994</u>
<u>Salaries and Related Benefits</u>			
Contract services	\$ 4,715	\$ 4,320	\$ 2,540
Salaries	41,914	39,300	31,200
Louisiana State Employees Retirement	<u>5,030</u>	<u>4,676</u>	<u>3,677</u>
	51,659	48,296	37,417
 <u>Education and Related Costs</u>			
Travel	9,476	6,753	8,782
Seminars	<u>925</u>	<u>2,925</u>	<u>1,900</u>
	10,401	9,678	10,682
 <u>Material and Supplies</u>			
Supplies	2,495	3,448	3,969
 <u>Other Services and Charges</u>			
Auto	812	1,722	0
Equipment Rental	761	797	461
Accounting and Auditing	0	2,000	0
Telephone	9,039	11,931	7,787
Other	<u>1,628</u>	<u>1,058</u>	<u>72</u>
	12,240	17,508	8,320
 <u>Miscellaneous</u>	0	0	36
 <u>Capital Outlay</u>			
Office Furniture and Equipment	<u>475</u>	<u>6,784</u>	<u>2,453</u>
<u>Total Expenditures</u>	<u>\$ 77,270</u>	<u>\$ 85,714</u>	<u>\$ 62,877</u>

Supplementary schedule. Presented as additional analytical data.