

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**

Compliance Report

November 26, 1990, Except for the

Finding in this Exhibit Dated February 20, 1997

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On May 24, 1985, the judges of the Court of Appeal, Third Circuit created the Third Circuit Court of Appeal Judges Association (Association). Association membership consists solely of the 12 elected judges serving on the Third Circuit Court of Appeal. The Association is funded from annual dues of \$250 for each member. These dues, totaling \$3,000, were paid from the court's Non-Appropriated Fund - Fee Account, which is used to account for filing fees and other revenues received by the court as provided by statute (public funds). The Association members decided that the cost of a retirement dinner of \$200 for a retiring judge of the court should be paid by the Association. In addition, we were informed that \$642 of Association funds were used to reimburse a deputy clerk for golf clubs as a gift for a retiring judge. The Association also decided that the cost of funeral sprays totaling \$372, and a social event with the district and city judges totaling \$800 should be paid by the Association. Because the Association is funded solely with public funds, the use of these funds to pay for a retirement party, funeral sprays, and social event would be prohibited by Article VII, Section 14(A) of the Louisiana Constitution of 1974.

The Court of Appeal, Third Circuit should ensure that public funds are not used for purposes prohibited by Article VII, Section 14(A) of the Louisiana Constitution of 1974. In a letter dated February 20, 1997, Chief Judge Ned E. Doucet, Jr., Treasurer of the Association, provided, "The Third Circuit Court of Appeal Judges Association is in receipt of your findings regarding certain expenditures by the Association. This letter is sent to you by way of officially informing you that the members of the Third Circuit Court of Appeal Judges Association thoroughly agree with your findings and recommendations.

"After your notification to our Association, our Judges unanimously voted to personally reimburse our Judges Association for the improper expenditures that you noted. We have additionally changed our expenditure procedures to make certain that his type of expenditures will never occur again.

"Prior to the year 1985-86, when our Third Circuit Court of Appeal Judges Association was formed, expenditures for funeral sprays for deceased Judges and deceased employees of our Court were personally paid by all individual Judges, as were all expenditures for retirement parties and retirement gifts for our retiring Judges. Our Judges recognize that this type of expenditure must be personally paid out-of-pocket by them, and have to agreed to again follow this procedure in the future.



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November 26, 1998. Except for the
Finding in this Exhibit Dated February 20, 1997

**Independent Auditor's Report on Compliance With Laws and
Regulations Material to the Special Purpose Financial Statements**

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA
Lake Charles, Louisiana**

We have audited the special purpose (legal basis) financial statements of the Court of Appeal, Third Circuit, a court within Louisiana state government, as of and for the year ended June 30, 1998, and have issued our report thereon dated November 26, 1998, except for the finding in this exhibit dated February 20, 1997.

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, and contracts applicable to the Court of Appeal, Third Circuit is the responsibility of the court's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the court's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the special purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instance of noncompliance that, although not material to the financial statements, is required to be reported herein under Government Auditing Standards.

Improper Deviation of Public Funds

The Court of Appeal, Third Circuit used public funds during fiscal year 1998 and 1999 totaling \$1,800 to pay for a retirement party and gift for a retiring judge of the court, for funeral sprays, and to host a social event. The Louisiana Constitution of 1974, Article V, Section 14(A) states in part that the funds, credit, property, or things of value of the state shall not be loaned, pledged, donated to or for any person, association, or corporation, public or private. The payments for the retirement party, gift, funeral sprays, and the social event constitute a donation of public funds.

LEGISLATIVE AUDITOR

COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA

Internal Control Report

November 26, 1998, Except for the
Finding in Exhibit B Dated February 20, 1997

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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 special purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information and use of the court and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

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STATE OF LOUISIANA, OFFICE OF
LEGISLATIVE AUDITOR

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November 26, 1995, Except for the
Finding in Exhibit B Dated February 20, 1997

**Independent Auditor's Report on Internal Control Structure Based
Solely on an Audit of the Special Purpose Financial Statements**

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**
Lake Charles, Louisiana

We have audited the special purpose (legal basis) financial statements of the Court of Appeal, Third Circuit, a court within Louisiana state government, as of and for the year ended June 30, 1995, and have issued our report thereon dated November 26, 1995, except for the finding in Exhibit B dated February 20, 1997.

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.

Management of the Court of Appeal, Third Circuit 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 special purpose financial statements in accordance with legally prescribed procedures. 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 special purpose financial statements of the Court of Appeal, Third Circuit for the year ended June 30, 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 have been placed in operation, and we assessed control risk to determine our auditing procedures for the purpose of expressing our opinion on the special purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Fiscal year:	
1996-97	\$3,310
1997-98	2,682
Total minimum lease payments	<u>5,992</u>
Less - amount representing interest	<u>572</u>
Present value of net minimum lease payments	<u>\$5,320</u>

All capital lease agreements have non-appropriation escrowatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for their continuation during any future fiscal period.

In addition to capital leases, the Court of Appeal, Third Circuit has two non-cancelable operating leases for office space. The annual operating lease payments for the next four years are presented as follows:

Fiscal year:	
1996-97	\$30,555
1997-98	34,097
1998-99	17,688
1999-2000	<u>7,443</u>
Total	<u>\$90,048</u>

8. FUND BALANCES RESERVED

As shown on Statement A, the Non-Appropriated Fund - Fee Account has a reserve for continuing operations totaling \$320,570. These funds may be retained and used to defray the expenditures of the court as provided by LA-R.S. 13:362. The Appropriated Fund - General Appropriation Fund has a reserve of \$438,770 for equipment, building furnishings and supplies, building renovations, and contingencies. The funds will be used to purchase computers, phones and other equipment, building furnishings, building renovations, and supplies for the Third Circuit Court of Appeal building and its satellite offices. These funds represent Supreme Court appropriation surplus funds and have been reserved based upon Act 35 of the 1998 Regular Session of the Louisiana Legislature, which appropriates any funds previously appropriated to the judiciary.

9. DEFERRED COMPENSATION PLAN

Certain employees of the court participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

The court's employer contributions to LORRF for the years ended June 30, 1996, 1995, and 1994, were \$21,821, \$18,241, and \$8,090, respectively, and to LASERS for the years ended June 30, 1996, 1995, and 1994, were \$240,662, \$227,693, and \$222,346, respectively, equal to the required contributions for each year.

**6. POSTEMPLOYMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The court provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the court's employees become eligible for these benefits if they reach normal retirement age while working for the court. These benefits for retirees and similar benefits for active employees are provided through the State of Louisiana's Group Benefits Program whose monthly premiums are paid jointly by the employee and the court. The court recognizes the cost of providing these benefits (court's portion of premiums) as an expenditure when paid during the year, which totaled \$100,850 for the year ended June 30, 1996. The court's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 1996, the cost of retiree benefits totaled \$19,275.

**8. JUDGMENTS, CLAIMS, AND
SIMILAR CONTINGENCIES**

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund or the state General Fund and are not reflected in the accompanying special purpose financial statements. The self-insurance fund is operated by the Office of Risk Management, the state agency responsible for the state's self-insurance program.

7. LEASE COMMITMENTS

Capital leases, which under generally accepted accounting principles would be an asset and liability of the court, are not reflected in the accompanying special purpose financial statements. The court has capital leases for copiers and phone systems. The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 1996:

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

3. CHANGES IN GENERAL FIXED ASSETS

At June 30, 1996, the court has stewardship responsibility for \$975,913 in governmental movable property. A summary of changes in movable property follows:

	Balance July 1, 1995		Balance June 30, 1996	
	<u>Additions</u>	<u>Deletions</u>	<u>Additions</u>	<u>Deletions</u>
Movable property	<u>\$857,922</u>	<u>\$87,113</u>	<u>\$48,922</u>	<u>\$975,913</u>

In accordance with LSA-R.S. 38:321-330, the court has complied with the movable property statutes of the State of Louisiana.

4. PENSION PLANS

Substantially all employees of the court are members of two statewide, public employee retirement systems. Court employees are generally members of the Louisiana Clerks Retirement and Relief Fund (LCRRF), and classified/unclassified state employees are members of the Louisiana State Employees Retirement System (LASERS). Both plans are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. LCRRF and LASERS provide retirement, disability, and survivors' benefits to plan members and beneficiaries. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 28 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Louisiana Clerks Retirement and Relief Fund, 11745 Bridgeway Avenue, Baton Rouge, Louisiana 70818, or by calling (504) 293-1952 and/or the Louisiana State Employees Retirement System, Post Office Box 442-13, Baton Rouge, Louisiana 70804, or by calling (504) 922-0900.

The contribution requirements of plan members and the court are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in LSA-R.S. 11:102. Employees contribute 8.25 percent (LCRRF) and 7.5 percent (LASERS) of covered salaries. The court's contribution to LCRRF was 11.9 percent of annual covered payroll for the fiscal year ended June 30, 1994; 10.25 percent for the year ended June 30, 1995; and 8.8 percent for the year ended June 30, 1996. The contribution rate to LASERS for the fiscal year ended June 30, 1996, increased to 12.0 percent of annual covered payroll from the 11.0 percent required in fiscal years ended June 30, 1995 and 1994. The court's employer contribution is funded by the State of Louisiana through the annual appropriation to the court.

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

J. LEAVE BENEFITS

Employees of the court earn annual and sick leave at various rates, depending on their years of service. Annual leave does not accumulate. Unused sick leave can be accumulated without limitation and may be credited as service for purposes of calculating retirement benefits. Employees are not compensated for unused sick leave. There is no liability for unused leave payable at June 30, 1998.

K. FUND EQUITY RESERVES

Reserves represent those portions of fund equity not appropriate for expenditure or that are legally segregated for a specific future use.

L. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither is such data comparable to a consolidation.

I. CASH AND CASH EQUIVALENTS

At June 30, 1998, the court has cash and cash equivalents (bank balances) composed of the following:

Interest-bearing demand deposits	\$284,038
Money market accounts	174,012
Time deposits	<u>300,900</u>
Total	<u>\$758,950</u>

Cash and cash equivalents 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 pledged 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. The court has deposit balances (collected bank balances) of \$978,589 at June 30, 1998, for which the court has control. These deposits are secured from risk by \$300,000 of federal deposit insurance (GASB Risk Category 1) and \$678,589 of pledged securities held in the name of the pledging fiscal agent bank in a holding bank (GASB Risk Category 3).

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits, money market accounts, and a savings account. Under state law, the court 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.

F. GENERAL FIXED ASSETS

The court values general fixed assets (movable property) at historical cost. General fixed assets do not include the value of the legal library. A card file inventory is maintained, but no values have been assigned to the books. The court does not own any land or buildings. The movable property is not reflected within the accompanying special purpose financial statements.

G. LONG-TERM OBLIGATIONS

The court is by statute not allowed to incur bonded indebtedness and, therefore, no recognition within the accompanying financial statements is necessary. Furthermore, any long-term obligations of the court arising from lease commitments, judgments, compensated absences, or any other source are not recognized in the accompanying special purpose financial statements.

H. BUDGET PRACTICES

The general appropriation made for the operations of the court is an annual lapping appropriation. Amounts not expended or encumbered should be returned to the state General Fund on or before September 1, 1995.

The court has no encumbrances outstanding at June 30, 1995. The accompanying financial statements do not present a budget comparison because the appropriated fund is budgeted in lump sum and the non-appropriated fund is not subject to budgetary control. The appropriation act also appropriates to the court any interest that it earns. Budget revisions are granted by the Judicial Budgetary Control Board as provided by Act 1225 of 1995. The Judicial Budgetary Control Board approved a net increase of \$482,476 from the original appropriation of \$3,434,005.

I. JUDGES' SALARIES

The salaries of the judges are paid directly by the Supreme Court of Louisiana with warrants drawn on the state treasury and are not included in the expenditures of the accompanying financial statements.

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)**

resources provided by the legislature to fund current-year expenditures and the use of those resources by the court. This differs from generally accepted accounting principles in which the measurement focus would be to measure the flow of current resources.

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements, regardless of the measurement focus applied. The accompanying financial statements reflect revenues and expenditures in accordance with applicable statutory provisions and regulations of the Judicial Budgetary Control Board. These legal requirements differ from generally accepted accounting principles as follows:

1. Revenues are recognized to the extent that they have been appropriated and not necessarily when measurable and available.
2. Expenditures are recognized to the extent that appropriation authority has been allocated to the court and not necessarily when the fund liability has been incurred.

Under the foregoing legal provisions, the court uses the following practices in recognizing revenues and expenditures:

Revenues

Self-generated revenues, including interest income on demand deposits and certificates of deposits, are recorded when earned.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Furthermore, any expenditure of a long-term nature for which funds have not been appropriated during the current year are not recognized in the accompanying financial statements.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) in the year the court is authorized to receive or make the transfers. In addition, transfers from the Supreme Court are included on the financial statements as other financing sources. The transfer from the Supreme Court is the portion of the Court of Appeal, Third Circuit's state General Fund appropriation, which is recognized in the amount appropriated, to the extent withdrawn from the state treasury.

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

(3) the court primarily serves state residents. The accompanying financial statements present information only as to the transactions of the court.

The accompanying financial statements represent activity of the court within the judicial branch of state government and, therefore, are a part of the fund and account group structure of the State of Louisiana and its general purpose financial statements. Annually, the State of Louisiana issues general purpose financial statements. The general purpose financial statements are audited by the Louisiana Legislative Auditor.

C. FUND ACCOUNTING

The Court of Appeal, Third Circuit uses fund accounting, along appropriation lines, to reflect its compliance with provisions of the annual appropriation act and to reflect the financial position and results of operations of its non-appropriated funds. This differs from the fund accounting of generally accepted accounting principles where the intent is to measure the financial position and results of operations of the governmental reporting entity as a whole. Therefore, the funds within the accompanying financial statements have been divided between appropriated and non-appropriated funds and not by the conventional fund types of generally accepted accounting principles.

The funds do not include any noncurrent assets or liabilities. Noncurrent assets, general fixed assets, and long-term liabilities are reflected in the State of Louisiana's general purpose financial statements.

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

General Appropriation Fund

The General Appropriation Fund provides for the general administrative expenditures of the court.

Fee-Appropriated Fund - Fee Account

The Fee Account is used to account for filing fees and other revenues received by the court, as provided by USA-R.S. 13:362. Expenditures incurred in excess of the amount appropriated by the Louisiana Legislature (General Appropriation Fund) are funded from this account.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The funds in the accompanying financial statements measure the

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1995**

INTRODUCTION

The Court of Appeal, Third Circuit is a part of the State of Louisiana reporting entity within the judicial branch of government. The court is provided for in Article V, Sections 8 through 13 of the Louisiana Constitution of 1974 and Sections 351 through 380 of Title 13 of the Louisiana Revised Statutes of 1952. The court's operations are funded through an annual lapsing appropriation made by the Louisiana Legislature and from self-generated revenues authorized by Louisiana Revised Statute (LSA-R.S.) 13:352. In addition to the fees mandated by LSA-R.S. 13:352 relative to appeals, applications for writs, motions filed on unlogged appeals and answers to appeals, the court, in compliance with LSA-R.S. 13:10.3(5) and in conformity with the Judges' Supplemental Compensation Fund, charges an additional fee of \$14.50. The total amount collected in connection with the Judges' Supplemental Compensation Fund is remitted to the Judicial Administrator's Office of the Supreme Court of Louisiana.

The Court of Appeal, Third Circuit has appellate jurisdiction as authorized under Article V, Section 5 of the Louisiana Constitution, over the parishes of Acadia, Allen, Avoyelles, Beauregard, Cameron, Calcasieu, Catahoula, Concordia, Iberville, Grant, Iberia, Jefferson Davis, Lafayette, LaSalle, Natchitoches, Rapides, Sabine, St. Martin, St. Landry, Vermilion, and Westmore. In addition, the court has supervisory jurisdiction, subject to the general supervisory jurisdiction of the Supreme Court of Louisiana, over all lower courts in all cases in which an appeal would extend to the court of appeal. The Third Circuit is composed in Late Charles and has 12 judges and 65 other employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates generally accepted accounting principles and reporting standards for state and local government. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards, published by the GASB. However, the accompanying financial statements have been prepared on a legal basis, which differs from generally accepted accounting principles as explained in the following notes.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The court is considered within the State of Louisiana reporting entity because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) the state has control and seamless authority over budget matters; (2) state appropriations provide the largest percentage of total revenues; and

COURT OF APPEAL, THIRD CIRCUIT
 STATE OF LOUISIANA
 ALL APPROPRIATED AND NON-APPROPRIATED FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Legal Basis), 1998

	APPROPRIATED FUND - GENERAL APPROPRIATION	NON- APPROPRIATED FUND - FEE ACCOUNT	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (uses)			
Transfers from Supreme Court	\$3,887,404		\$3,887,404
Operating transfers in	26,280	\$101,810	127,890
Operating transfers out	(161,810)	(26,280)	(187,890)
Total other financing sources (uses)	<u>3,751,874</u>	<u>75,530</u>	<u>3,827,404</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	337,063	186,497	523,560
FUND BALANCES AT BEGINNING OF YEAR	<u>118,687</u>	<u>171,817</u>	<u>290,504</u>
FUND BALANCES AT END OF YEAR	<u>\$455,940</u>	<u>\$358,314</u>	<u>\$814,254</u>

(Continued)

The accompanying notes are an integral part of this statement.

COURT OF APPEAL, THIRD CIRCUIT
 STATE OF LOUISIANA
 ALL APPROPRIATED AND NON-APPROPRIATED FUNDS

Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Legal Basis)
 For the Year Ended June 30, 1999

	APPROPRIATED FUND - GENERAL APPROPRIATION	NON- APPROPRIATED FUND - FEE ACCOUNT	TOTAL (MEMORANDUM ONLY)
REVENUES			
Filing and copy fees		\$170,000	\$170,000
Use of money and property - interest earnings	85,158	4,401	89,559
Total revenues	<u>85,158</u>	<u>178,401</u>	<u>180,249</u>
EXPENDITURES			
Appropriated expenditures:			
Personal services	2,637,144		2,637,144
Travel and conventions	111,708		111,708
Operating supplies and services	686,176		686,176
Capital outlay	150,236		150,236
Non-appropriated expenditures:			
Personal services		5,208	5,208
Association dues		3,896	3,896
Travel and conventions		17,851	17,851
Operating supplies and services		40,761	40,761
Capital outlay		7,629	7,629
Judges' Supplemental Compensation Fund		10,368	10,368
Total expenditures	<u>3,608,286</u>	<u>84,854</u>	<u>3,594,180</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(3,404,111)</u>	<u>80,167</u>	<u>(3,413,944)</u>

(Continued)

The accompanying notes are an integral part of this statement.

COURT OF APPEAL, THIRD CIRCUIT
 STATE OF LOUISIANA
 ALL APPROPRIATED AND NON-APPROPRIATED FUNDS

Balance Sheet (Legal Basis), June 30, 1998

	APPROPRIATED FUND - GENERAL APPROPRIATION	NON- APPROPRIATED FUND - FEE ACCOUNT	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash and cash equivalents (note 2)	\$444,838	\$304,070	\$748,908
Accounts receivable - criminal filing fees		2,680	2,680
TOTAL ASSETS	<u>\$444,838</u>	<u>\$306,750</u>	<u>\$751,588</u>
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$5,268	\$40	\$5,308
Fund Equity - fund balances - reserved for:			
Equipment, building furnishings and supplies, building renovations, and contingencies (note 8)	438,730		438,730
Continuing operations (note 8)		306,670	306,670
Total Fund Equity	<u>438,730</u>	<u>306,670</u>	<u>745,400</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$444,838</u>	<u>\$306,710</u>	<u>\$751,548</u>

The accompanying notes are an integral part of this statement.

LEGISLATIVE AUDITOR

COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA
Audit Report, June 30, 1996

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the balances within the appropriated and non-appropriated funds of the Court of Appeal, Third Circuit at June 30, 1996, and the transactions of such funds for the year then ended, on the basis of accounting described in note 1-D.

We have also issued separate reports dated November 28, 1995, except for the finding in Exhibit B dated February 20, 1997, on our consideration of the court's internal control structure and its compliance with laws and regulations as required by Government Auditing Standards.

In accordance with Louisiana Revised Statute 24:518, our report is intended for the information and use of the court and its management and should be used solely as intended by the foregoing statute. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel O. Kyle, CPA, CFE
Legislative Auditor

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OFFICE OF
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November 28, 1995, Except for the
Finding in Exhibit B dated February 20, 1997

**Independent Auditor's Report
on the Financial Statements**

**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA**
Lake Charles, Louisiana

We have audited the accompanying special purpose (legal basis) financial statements of the Court of Appeal, Third Circuit, a court within Louisiana state government, as of and for the year ended June 30, 1995, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Court of Appeal, Third Circuit. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in note 1 to the financial statements, the accompanying special purpose financial statements present only the funds of the Court of Appeal, Third Circuit. As such, they present the appropriated and non-appropriated activity of the court that are part of the accounts and fund structure of the State of Louisiana. The General Appropriation Fund reflects appropriated activity of the court that is part of the General Fund of the State of Louisiana. The non-appropriated fund is an individual fund of the State of Louisiana not subject to budgetary control. Furthermore, the special purpose financial statements have been prepared on a legal basis of accounting, the purpose of which is to reflect compliance with the annual appropriation act for the appropriated fund and the financial position of the non-appropriated fund. These procedures differ from generally accepted accounting principles as described in the notes to the financial statements. Accordingly, the accompanying special purpose financial statements are not intended to and do not present financial position and results of operations in conformity with generally accepted accounting principles.

COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA

Special Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1996

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**COURT OF APPEAL, THIRD CIRCUIT
STATE OF LOUISIANA
Lake Charles, Louisiana**

**Special Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended June 30, 1995**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Basin Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

March 4, 1997

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Daniel G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Court of Appeal, Third Circuit
State of Louisiana
Lake Charles, Louisiana

March 4, 1997



Financial and Compliance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor