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PAGE 2 OF 2

**THE SECOND JUDICIAL DISTRICT COURT
PARISHES OF BENVILLE, CLATBORNE AND JACKSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 1998
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the parish, or municipal, entity and other appropriate public officials. The report is available for public inspection at the Parish Clerks Office of the Clerk of the Court for each parish, or at the office of the parish clerk of court.

Release Date DEC 2 3 1998

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THE SECOND JUDICIAL DISTRICT COURT
PARISHES OF BERNARD, CLAIRBORNE AND JACKSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1988

CONTENTS

	Statement	Page
INDEPENDENT AUDITORS' REPORT		1
GENERAL PURPOSE FINANCIAL STATEMENTS:		
Combined Balance Sheet - All Fund Types and Account Groups	A	2
Governmental Funds:		
Combined Statement of Revenues, Expenditures and Changes in Fund Balances	B	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual-General Fund and Special Revenue Funds	C	4
Notes to the Financial Statements		5-9
	Schedule	
SUPPLEMENTAL INFORMATION SCHEDULES:		
Special Revenue Funds:		
Combining Balance Sheet	1	11
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	12
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		13
SCHEDULE OF FINDINGS AND QUESTIONED COSTS		14

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INDEPENDENT AUDITORS' REPORT

To the Honorable Robert Y. Butler, Chief Judge
Second Judicial District Court
Parishes of Bienville, Calcasieu and Jackson, Louisiana

We have audited the accompanying general purpose financial statements of the Second Judicial District Court of Louisiana, as of and for the year ended June 30, 1998. These general purpose financial statements are the responsibility of management of the Second Judicial District Court of Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. 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 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Second Judicial District Court of Louisiana as of June 30, 1998, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 13, 1998, on our consideration of the Second Judicial District Court of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Second Judicial District Court of 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.



Kenneth D. Follen & Co.
Certified Public Accountants

October 13, 1998

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS
Condensed Balance Sheet

June 30, 1998

	Governmental Funds		Account Group	Total (Non-Proprietary Only)
	General Fund	Special Revenue Funds	General Fixed Assets	
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 333,885	\$ 91,200	\$	\$ 425,085
Receivables	9,968	9,890		19,858
Furniture and equipment			\$5,207	\$5,207
TOTAL ASSETS AND OTHER DEBITS	\$ 343,853	\$ 101,090	\$ 5,207	\$ 450,150
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 3,170		\$	\$ 3,170
Withheld taxes payable	3,443	126		3,569
TOTAL LIABILITIES	6,613	126	6,000	6,744
Fund Equity:				
Investment in general fixed assets			\$5,207	\$5,207
Fund balance - unreserved undesignated	336,909	100,744		437,653
TOTAL FUND EQUITY	336,909	100,744	\$ 5,207	\$ 442,860
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 343,452	\$ 101,094	\$ 5,207	\$ 450,154

The accompanying notes are an integral part of this statement.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 1990

Statement 11

	General Fund	Special Revenue Funds	Totals (Whichever Only)
REVENUES:			
Court fees	\$	\$	\$ 147,017
Civil filing fees	91,297		91,297
Criminal filing fees	164,164		164,164
Interest earned	16,621	1,284	17,905
Intergovernmental:			
State grant		26,000	26,000
Boating license returns	11,583		11,583
Criminal court fund	93,629		93,629
Total revenues	<u>266,294</u>	<u>27,284</u>	<u>293,578</u>
EXPENDITURES:			
Public safety:			
Books and library	11,248		11,248
Conference and seminars	9,767		9,767
Contracted services, personal services and benefits	236,194	109,429	345,623
Books and subscriptions	757		757
Insurance	6,812		6,812
Legal and accounting	5,579		5,579
Miscellaneous	488	973	1,461
Office supplies	13,679	764	14,443
Repairs and maintenance	1,584		1,584
Travel	1,485	453	1,938
Utilities and telephone	12,564	487	13,051
Capital outlay	15,187		15,187
Total expenditures	<u>311,025</u>	<u>110,166</u>	<u>421,191</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(14,831)</u>	<u>17,118</u>	<u>2,287</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	28,488	1,000	29,488
Operating transfers out	(2,600)	(28,488)	(31,088)
TOTAL OTHER FINANCING SOURCES (USES)	<u>25,888</u>	<u>(27,488)</u>	<u>8,400</u>
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER (Under) EXPENDITURES AND OTHER (Use)	<u>22,457</u>	<u>10,630</u>	<u>33,087</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>204,167</u>	<u>79,392</u>	<u>283,559</u>
FUND BALANCE AT END OF YEAR	<u>\$ 226,624</u>	<u>\$ 89,992</u>	<u>\$ 316,616</u>

The accompanying notes are an integral part of this statement.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS

**Combined Statement of Revenues, Expenditures and
Change in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Fund Fee	\$	\$	\$	\$	\$	\$
Charitable Use	40,000	41,350	1,350	143,000	141,117	(1,883)
Judicial Staff Fee	10,000	10,114	114	29,214		
Interest earned	1,500	15,401	13,901	1,000	1,000	0.00
Miscellaneous	200		(200)			
Enterprise related:						
Fundamental Fund	40,000	40,074	74			
Bonding Revenue Subfund	1,000	13,327	12,327			
Other grant				20,000	20,000	
Total revenues	111,700	130,266	18,566	163,214	172,127	8,913
EXPENDITURES						
Current:						
Books and library	11,000	11,300	300			
Construction and repairs	4,000	5,707	1,707	13,707		
Contractual services, professional fees and benefits	101,000	104,079	3,079	145,100	145,007	(93)
Debt and obligations	1,000	707	293			
Inventory	9,000	7,401	1,599			
Legal and accounting	1,000	1,074	74	1,074		
Miscellaneous	500	499	1	500	501	(1)
Office supplies	20,000	14,877	5,123	1,500	500	1,000
Repairs and maintenance	4,000	1,500	2,500			
Travel	1,000	1,000		1,000	600	1,791
Utilities and telephone	11,000	12,704	1,704	800	607	193
Waste	200		(200)			
Capital outlay	20,000	11,500	8,500	20,000	20,000	
Total expenditures	183,700	187,079	3,379	183,700	183,215	485
EXCESS OF REVENUES OVER EXPENDITURES	(71,000)	(56,813)	14,187	1,514	(11,088)	12,711
TRANSFERS FROM SOURCES (FUNDS)						
Operating transfers in		10,000	10,000		1,000	1,000
Operating transfers out		(1,000)	(1,000)	(20,000)	(20,000)	
NET OF TRANSFERS (IN) FROM (TO) FUNDS	10,000	9,000	1,000	(20,000)	(19,000)	1,000
EXCESS (SHORTAGE) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES AND OTHER FINANCING	(61,000)	(47,813)	13,187	1,514	(30,088)	13,711
FINANCIAL STATEMENTS BALANCING BY FUND	20,000	20,000	0.00	10,000	10,000	0.00
FINANCIAL STATEMENTS AT END OF YEAR	\$ 20,000	\$ 20,000	\$ 0.00	\$ 10,000	\$ 10,000	\$ 0.00

The accompanying notes are an integral part of this statement.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1998

INTRODUCTION

The Second Judicial District Court (District Court) of Louisiana is composed of the parishes of Bienville, Calcasieu and Jackson located in northwestern Louisiana. The District Court includes three judges of its one judge being designated as the chief judge. The District Court may collect fees on civil suits and criminal cases to aid in the administering of the district court and the offices of the individual judges. These fees can not be used for salaries to the judges. The judges are elected by the qualified electors of the judicial district for a term of six years.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Second Judicial District Court includes all funds, account groups, or entities that are within the oversight responsibility of the District Court. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the District Court is deemed to be a separate reporting entity. Certain units of local government over which the District Court exercises an oversight responsibility, such as the parish police jury, parish school board, other independently-created officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separately from those of the District Court.

C. FUND ACCOUNTING

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

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

Funds of the District Court are classified into one category, governmental. This category, in turn, is divided into separate fund types. The fund classification and a description of each existing fund type follows:

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calhoun and Jackson, Louisiana
Notes to the General Purpose Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. FUND ACCOUNTING (Continued)

Governmental Funds

Governmental funds account for all or most of the District Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the district court include:

1. **General Fund**—the general fund (Judicial Expense Fund) was established in compliance with Louisiana Revised Statute 15:936.49 and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special revenue funds** account for the governmental specific revenue sources that are legally restricted to expenditures for specified purposes.

B. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Court fees, filing fees, and probation fees are collected by sheriff's departments, clerks of court, or the State of Louisiana and remitted to the District Court. Therefore, amounts remitted during the current period and amounts collected by these agencies during the current period and received within 60 days by the District Court are recognized as revenue.

Intergovernmental revenues are recorded when the District Court is entitled to the funds. Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur. No other financing sources (uses) occurred for the year ended June 30, 1996.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
Notes to the General Purpose Financial Statements (continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. BUDGET

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annually, appropriated budgets are adopted for the general and special revenue funds. The District Court approves all budget changes or amendments. At year end, all appropriations lapse. Budgeted amounts shown in the financial statements are as originally adopted.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized by the District Court.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 1998, the District Court had no investments.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported in the general fixed assets account group). Public domains or infant structures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

I. COMPENSATED ABSENCES

The employees of the District Court are entitled to certain compensated absences based on their length of employment. Employees are not allowed to accumulate or vest vacation or sick leave. Compensated absences are recorded as expenditures when they are paid.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. The District Court has no long-term obligations at June 30, 1998.

THE SECOND JUDICIAL DISTRICT COURT
 Parish of Bienville, Calcasieu and Jackson, Louisiana
 Notes to the General Purpose Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. TOTAL COLUMNS ON COMBINED STATEMENTS

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

2. CASH AND CASH EQUIVALENTS

At June 30, 1998, the District Court has cash and cash equivalents (bank balances), totaling \$444,781. All cash and cash equivalents consist of demand deposits or certificates of deposit.

Cash and cash equivalents are stored 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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. At June 30, 1998, the District Court has \$487,218 in deposits (valued at bank balances). These deposits are maintained in seven financial institutions and are insured from risk by \$487,218 of federal deposit insurance and pledged securities.

3. RECEIVABLES

Accounts receivable at June 30, 1998 consist of the following:

	General	Special Revenue Funds	Total
Court fees	\$	\$ 9,858	\$ 9,858
Civil filing fees	1,980		1,980
Criminal filing fees	7,988		7,988
Total	\$ 9,968	\$ 9,858	\$ 19,826

4. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Office furniture and fixtures	\$ 49,875	\$ 11,287	\$ 3,129	\$ 57,933

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
Notes to the General Purpose Financial Statements (continued)

5. PENSION PLAN

Judges of the District Court and their employees are members of the State Employees Retirement System of Louisiana. Salaries of the Judges and the employer's portion of the Judges' retirement contributions are paid by the State Supreme Court and are not included in the accompanying financial statements. Pension costs for the employees of the District Court are reported in the accompanying financial statements; however, because these costs are considered immaterial in relation to the accompanying financial statements, the disclosure requirements of Statement No. 3 of the Governmental Accounting Standards Board are not presented.

**6. EXPENDITURES OF THE JUDICIAL DISTRICT NOT INCLUDED
IN THE ACCOMPANYING FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain salary or administrative expenditures for the District Court paid out of the funds of the Bienville, Calcasieu or Jackson Parish Police Juris or directly by the State.

7. LITIGATION

There is no litigation pending against the Second Judicial District Court as June 30, 1998.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
Supplemental Information Schedule
As of and For the Year Ended June 30, 1998

PROBATION FUND

The Code of Criminal Procedure Article 894 A (1) stated that the Department of Probation and Parole would not supervise probation in misdemeanor cases starting in 1988. Article 894 A (1) authorized the court to place the defendant on probation with a "probation officer" designated by the court upon such conditions as the court may fix. Additionally, Article 895 1 (C) of the Code of Criminal Procedure provides for a monthly probation fee to be paid to the agency providing supervision. The Probation Fund was established as the designated "probation office". The Probation Fund accounts for the collection of the monthly probation fees and expenditures of maintaining the probation officers.

IV-D COLLECTION FUND

The IV-D Collection Fund accounts for the collection of a five percent fee assessed on child support payments as provided by Louisiana Revised Statute 46:236.5 and the expenditures related to the establishment, modification, and enforcement of support obligations.

FAMILIES IN NEED OF SERVICES FUND

The Families in Need of Services Fund accounts for the program designed to aid juveniles and/or their families in obtaining counseling or treatment. The funding is provided by a State grant.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet
June 30, 1998

	Probation Fund	TY-12 Collection Fund	Families in Need of Services Fund	Total
ASSETS				
Cash and cash equivalents	\$ 5,708	\$ 19,518	\$ 55,988	\$ 81,214
Receivables		3,852		3,852
TOTAL ASSETS	\$ 5,708	\$ 23,370	\$ 55,988	\$ 85,066
LIABILITIES AND FUND EQUITY				
Liabilities				
Withheld taxes payable	\$ 128	\$	\$	\$ 128
Total liabilities	128	NONE	NONE	128
Fund equity:				
Fund balance - unencumbered unobligated	5,580	23,370	55,988	84,938
Total fund equity	5,580	23,370	55,988	84,938
TOTAL LIABILITIES AND FUNDS	\$ 5,708	\$ 23,370	\$ 55,988	\$ 85,066

THE SEVEN JUDICIAL DISTRICT COURT
Families of Bienville, Chalmette and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1998

	Probation Fund	IS-B Collection Fund	Families in Need of Services Fund	Total
REVENUES				
Intergovernmental - state grant	\$	\$	\$	\$ 28,800
Court fee	45,734	165,293		147,077
Interest earned	51	733	1,436	2,264
Total revenues	<u>45,785</u>	<u>166,026</u>	<u>29,672</u>	<u>171,483</u>
EXPENDITURES				
Current				
Contracted services, personal services and benefits	40,903	53,643	21,374	115,920
Miscellaneous	971			971
Office supplies	133	403		544
Taxes	328	183	100	611
Utilities and telephone	687			687
Total expenditures	<u>42,942</u>	<u>54,229</u>	<u>21,474</u>	<u>118,645</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>2,843</u>	<u>111,797</u>	<u>8,198</u>	<u>122,838</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in	1,000			1,000
Operating transfer out		(38,700)	(2,780)	(41,480)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,000</u>	<u>(38,700)</u>	<u>(2,780)</u>	<u>(37,480)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER (Under) EXPENDITURES AND OTHER (USES)	<u>3,843</u>	<u>73,097</u>	<u>5,418</u>	<u>79,358</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>3,728</u>	<u>28,668</u>	<u>66,094</u>	<u>78,590</u>
FUND BALANCES AT END OF YEAR	<u>\$ 7,571</u>	<u>\$ 101,765</u>	<u>\$ 71,512</u>	<u>\$ 180,848</u>

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Robert T. Butler, Chief Judge
Second Judicial District Court
Parishes of Bienville, Calcasieu and Jackson, Louisiana

We have audited the general purpose financial statements of the Second Judicial District Court of Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 13, 1998. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Second Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Second Judicial District Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



KENNETH D. FOLLEN & CO.
Certified Public Accountants

Jenner, Louisiana
October 13, 1998

SECOND JUDICIAL DISTRICT COURT OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Second Judicial District Court of Louisiana.
2. No reportable conditions relating to the audit of the financial statements are reported in the **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**.
3. No instance of noncompliance material to the financial statements of the Second Judicial District Court of Louisiana was disclosed during the audit.
4. The Second Judicial District Court of Louisiana had no federal award programs.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No findings were disclosed in the current period. Also, no findings were disclosed in the prior period.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

The Second Judicial District Court of Louisiana had no major federal award programs.