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THIRTEENTH JUDICIAL DISTRICT COURT
JUDICIAL REPOSEE FUND

BATON ROUGE, LOUISIANA

JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the court, or reviewed, copied and other appropriate public officials. The report is available for public inspection at the Eastern Division of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Reference Date - ~~DEC 7 6 1998~~

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INDEPENDENT AUDITOR'S REPORT

Honorable Judges of the
Nineteenth Judicial District Court

We have audited the accompanying general purpose financial statements of the Nineteenth Judicial District Court - Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the judicial expense Fund's management. 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe 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 Nineteenth Judicial District Court - Judicial Expense Fund as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 1998 on our consideration of the Nineteenth Judicial District Court - Judicial Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information - individual fund financial statements

Continued . . .

and schedule of general fixed assets - by source listed in the table of contents has presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the St. Lawrence Judicial District Court - Judicial Expense Fund. 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.


October 21, 1966

**NINETEENTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS**

June 30, 1999
 (with comparative totals for June 30, 1997)

	Governmental Fund Types		Account Groups		Totals (Memorandum only)
	General Fund	Special Accounts	General Fund	Special Accounts	
GRAND ASSETS					
Cash.....	618,797	19	-	-	618,816
Receivables.....	547,338	-	-	-	547,338
Investments.....	-	-	-	-	-
Prepaids.....	27,399	-	-	-	27,399
Accrued interest and other.....	1,428	-	-	-	1,428
Due from Special Revenue Fund	39	-	-	-	39
Investment in deferred compensa- tion.....	-	-	-	-	-
FUND ASSETS	-	-	1,824,469	-	1,824,469
OTHER ASSETS					
Amounts to be provided for retirement of long-term debt.....	-	-	-	955,429	955,429
Total assets and other debited	618,155	19	1,824,469	955,429	3,428,112
	1998	1997			

	Governmental Fund Types		Amounts Due to		Total
	General	Special	General Fund - 2020	Special	
		(Development)	2020	2020	
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
CURRENT LIABILITIES					
Accounts payable.....	3,375	\$	\$	3,375	\$ 3,375
Prepaid maintenance payable.....	28,375			28,375	28,375
Due to General Fund.....	-	20	-	20	20
Accrued compensated absences.....	41,375			41,375	41,375
LONG-TERM LIABILITIES					
Debt due and reserve premiums.....	-			851,429	851,429
Accrued compensated absences.....	-			851,429	851,429
Total Liabilities.....	73,125	20		1,714,574	1,714,574
FUND EQUITY AND OTHER CREDITS					
Investment in general fund assets.....	-		1,656,300	-	1,656,300
Fund balances:					
unassigned.....	108,749			708,149	816,898
total fund equity and other credits.....	108,749		1,656,300	-	1,771,149
Total Liabilities, Fund Equity and Other Credits.....	851,124	20	1,656,300	851,429	3,348,973

See accompanying notes

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES**

for the fiscal year ended June 30, 2009
with comparative totals for the fiscal year ended June 30, 2007

	Governmental Fund Types		Totals	
	Balance	Special Services (continued)	2008	2007
Revenues				
Clerk of Court - civil and probate filing fees.....	108,538	-	108,538	108,538
Bank Admin. Charge Periodic Billing				
Court Costs	128,012	-	128,012	128,012
Court Security Costs	870,341	-	870,341	870,341
Self Insured Retention	18,886	-	18,886	18,886
Filing	284,332	-	284,332	284,332
Self Insured Retention Attorney				
Drug Enforcement Administration	48,000	-	48,000	48,000
Self Insured Retention	443,181	-	443,181	443,181
Continuing Operations of Public Safety - Tobacco Settlement	14,863	-	14,863	14,863
Continuing Operations of Law Enforcement				
Non-charge grants	13,345	-	13,345	13,345
Legal Area Public Services				
Non-charge grants	150,600	-	150,600	-
State or localities	200,000	200,000	200,000	200,000
Charge for services				
Charge charges to attorneys	118,200	-	118,200	118,200
Registration fees	90	-	90	90
Copy charges for probate cause affidavits	2,400	-	2,400	2,400
Colleges	48,000	-	48,000	48,000
Other	2,781	-	2,781	2,781
Total revenues	1,719,348	100,000	1,819,348	1,791,000

continued . . .

STATE PRODUCTION SERVICE

Operating revenues in.....

Total revenues and other financing sources.....

EXPENDITURES
PLATEAU COUNTY
Collected

Personnel services.....
 Salaries.....
 Group benefits.....
 payroll taxes.....
 Group insurance.....
 Retirement.....
 Budget fee.....
 Office supplies.....
 Computer supplies.....
 Post services.....
 Data and microfilm.....
 Other.....
 Contractual services:
 Legal and other professional fees.....
 Printing services.....
 Auditing.....
 Safety.....
 Security.....
 Society.....
 Service contracts.....
 Other contractual services.....
 Any other.....
 Leasing.....
 Travel.....
 Training.....
 Equipment repair and maintenance.....
 Telephone.....
 Materials.....
 Materials Recovery Program contracts.....

Total revenues.....

Governmental Fund Types

General.....
 Special.....
 Commission.....

Totals

Revenue only.....
 200.....
 200.....

Total revenues and other financing sources.....

Total revenues.....

Total revenues.....

Continued

	Consolidated Fund Years		Totals	
	1996	1997	1996	1997
Capital outlay:				
computer equipment, including software.....	351,476	-	351,476	351,476
other office equipment.....	14,483	-	14,483	14,483
furniture and fixtures.....	59,189	969	60,158	61,127
Total capital outlay.....	305,148	969	306,117	307,086
Total expenditures.....	2,894,200	249,974	3,144,174	3,051,426
GRAND TOTAL				
Operating revenues net.....	18,487	-	18,487	18,487
Total expenditures and other uses.....	1,808,689	249,974	2,058,663	2,077,150
GRAND CLOSING OF FUNDING AND OTHER RESOURCES				
resources from consolidated and other funds.....	1,047,321	-	1,047,321	1,047,321
fund balances - beginning of year.....	808,880	-	808,880	808,880
Fund balances - end of year.....	198,748	-	198,748	198,748

The accompanying notes

**NINETEENTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS**

for the fiscal year ended June 30, 1991

	General Fund (Exp-000)		Special Revenue Sub- (Comm) (Revenue)			
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Cash of Court - civil and probate filing fees	161,000	167,400	6,400	-	-	-
East River House (enrich. shelter)						
Court cost	155,115	155,114	991	-	-	-
County and various grants	400,000	404,457	4,457	-	-	-
Ball bond forfeitures	19,500	19,174	(3,326)	-	-	-
Fines	102,700	104,900	2,200	-	-	-
East River House (enrich. shelter)						
Drug education forfeitures	21,000	20,100	(900)	-	-	-
Ball bond license fees	134,200	142,424	8,224	-	-	-
Localities Department of Public Safety - license fees	21,000	14,070	(7,930)	-	-	-
Localities (Commission on Law Enforcement) non-charge grants	-	2,470	2,470	-	-	-
Localities (non-charge grants)	-	109,500	109,500	220,500	219,500	(1,000)
State of Georgia (1988 AJ) grants for services	125,000	124,200	(800)	-	-	-
Transfer of cases to attorney	100	100		-	-	-
Expenditure fees	1,075	1,100	27	-	-	-
City charges for probable cause affidavits	65,000	61,000	(4,000)	-	-	-
Prosec	1,000	1,000		-	-	-
Other						
Total revenues	2,102,000	2,171,200	69,200	220,500	219,500	(1,000)

Continued . . .

-----General Fund-----Special Revenue Fund
 (500-540) (Continued)

	Budget	Actual	Variance - Unencumbered	Budget	Actual	Variance - Encumbered	Total	
							Budget	Actual
STATE RESOURCE CENTER								
Operating expenses:								
Total revenues and other financing sources	1,813,881	1,711,218	308,856	249,838	249,838	10,427	\$	407
CONTINGENT								
District Direct:								
Current:								
Personnel services:								
Salaries	1,105,987	1,037,496	67,491	159,836	159,137	699		(699)
Group benefits	3,435	3,444	(9)	1,210	1,759	(549)		(549)
Travel				9,216	9,200	16		(16)
Supplies				33,284	25,759	7,525		(7,525)
Repairs								
Printing								
Telephone								
Postage								
Office supplies	24,750	24,978	(228)	3,734	3,789	(55)		(55)
Printing and supplies	84,480	86,872	(2,392)					
Computer supplies	4,324	7,848	(3,524)					
Food and incidentals	10,377	10,377		8,712	1,665	7,047		(7,047)
Other	4,427	348	4,079	1,826	222	1,604		(1,604)
Contractual services:								
Legal and other professional fees	26,320	21,812	4,508	988	702	286		(286)
Printing charges	30,960	30,911	49					
Advertising	20,000	8,820	11,180					
Printing, reproduction, reprography, etc.	1,278	1,248	30					
Security services	13,425	13,139	286					
Other contractual services	3,288	3,241	47					
Printing fees	31,980	31,941	39	3,697	1,428	2,269		(2,269)
Travel, postage and contractals	49,380	48,218	1,162	4,230	384	3,846		(3,846)
Programs, rentals and equipment	9,999	9,890	109					
Repairs				3,638	1,659	1,979		(1,979)
Repairs	12,478	13,893	(1,415)					
Total current	1,885,488	1,801,978	83,510	249,838	249,242	596		(596)

Continued

	General Fund (Funds-0000)		Special Revenue Fund (Funds-10000)			
	Budget	Actual	Variance - Responsible (Difference)	Budget	Actual	Variance - Responsible (Difference)
Capital outlay						
Computer equipment, excluding software.....	142,000	280,478	4,320	1,000	858	98
Other capital equipment.....	32,000	14,430	(1,570)	-	-	-
Buildings and fixtures.....	38,000	38,749	3,749	-	-	-
Office computers.....	5,000	-	(5,000)	-	-	-
Total capital outlay.....	217,000	307,657	2,209	1,000	858	98
Total expenditures.....	2,792,270	2,886,793	(37,789)	847,883	847,883	(800)
Grants						
Operating transfers in.....	20,000	15,000	(5,000)	-	-	-
Total expenditures and other uses.....	2,812,270	2,896,793	(56,814)	847,883	847,883	(800)
Other contracts or services and other resources across core operations and other						
Fund balances - beginning of year.....	(241,000)	(241,000)	73,490	-	-	-
Fund balances - beginning of year.....	828,000	828,000	-	-	-	-
Fund balances - end of year (budgetary basis).....	486,970	709,300	73,490	-	-	-
Adjustments to conform with generally accepted accounting principles.....						
Net change in accounts receivable.....		34,481				
Net change in accounts payable.....		(13,950)				
Fund balances - end of year (GAAP basis).....		709,749				

See accompanying notes

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS**

June 30, 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Nineteenth Judicial District Court Expense Fund was established by a legislative act effective June 30, 1989. The act provides for the collection of fees in the form of court costs and fines, and provides for court reporters and such secretarial, clerical, research, administrative or other personnel as are deemed necessary to expedite the business and functions of the court. The Fund may also be used to pay for establishing and maintaining a law library, equipment, supplies and any other costs or expenses related to the proper administration of the court, except for the payment of judges' salaries.

The offices of Commissioner of the Nineteenth Judicial District Court were created by legislative act which provides for the appointment of two commissioners whose duties are assigned by the Chief Judge. These duties include hearing and making recommendations on criminal and civil proceedings arising out of the incarceration of state prisoners. Funds expended for equipment, supplies, and related salary benefits of employees of the Commissioners are appropriated to the Judicial Expense Fund by the State of Louisiana.

Basis of presentation

The accompanying general purpose financial statements of the Nineteenth Judicial District Court - Judicial Expense Fund 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. The more significant of the Fund's accounting principles are described below.

Reporting entity

As the governing authority of the consolidated government, the City of Baton Rouge, Parish of East Baton Rouge (City-Parish) is the financial reporting entity for the consolidated government. The financial reporting entity consists of (a) the primary government (City-Parish), (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 statements 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 City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is

A2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the primary government 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 primary government.
2. Organizations for which the primary government does not appoint a voting majority but are financially dependent on the primary government.
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 judicial expense fund is part of the operations of the district court system which is fiscally dependent on the City-Parish. The City-Parish provides directly to the court office space, court-rooms, personal services, and other supplies and services. The nature of the relationship between the judicial expense fund and the district court and the City-Parish is significant. Therefore, the judicial expense fund was determined to be a component unit of the City of Baton Rouge, Parish of East Baton Rouge, the financial reporting entity. The accompanying financial statements present information only on the judicial expense fund maintained by the Nineteenth Judicial District Court and do not present any other information on the District Court, or the City- Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Judicial Expense Fund, the accounts are maintained in accordance with the principles of fund accounting.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

separate "fund types."

Governmental funds are used to account for general activities, including the collection and disbursement of earmarked monies (special revenue funds). The funds of the Judicial Expense Fund are described as follows:

General fund - the general fund is the principal fund and accounts for all activities of the Judicial Expense Fund not accounted for in some other fund. The various fees and charges due to the judicial expense fund are accounted for in this fund. Operating expenditures are paid from this fund.

Commissioners' special revenue fund - this special revenue fund accounts for all activities of the Commissioners' offices. The special appropriation from the State of Louisiana for the operation of the commissioners' offices is accounted for in this fund. Operating expenditures of the Commissioners' offices are paid from this fund.

Basis of accounting

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of these funds presents increases and decreases in net current assets.

The modified accrual basis of accounting is used by the Judicial Expense Fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are filing and license fees, fines, and court costs collected by other agencies and remitted to the Judicial Expense Fund in the following month, as well as, amounts due under grant contracts, interest and dividend revenue, transcript charges to attorneys, and drug enforcement forfeitures collected by the District Attorney and paid annually or upon request.

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses).

Budgets and budgetary accounting

The Judicial Expense Fund follows these procedures in establishing the budgetary data reflected in the financial statements with regard to the general fund:

- (i) In accordance with the Local Government Budget Act of the State of Louisiana, an operating budget is prepared for the

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

general fund at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.

- (2) The budget is available for public inspection at least fifteen days prior to the beginning of the fiscal year.
- (3) The budget is adopted after consideration of public comment, if any, and authorized for implementation on the first day of the fiscal year.
- (4) The budget is prepared on a basis which differs significantly from that used to present financial statements in conformity with generally accepted accounting principles. A reconciliation of timing differences in the excess (deficiency) of revenues over expenditures and other financing sources (uses) for the year ended June 30, 1988, is presented below.

	General Fund -----
Deficiency of revenues over expenditures and other uses (budgetary basis).....	\$ (167,828)
Adjustments:	
Net change in accounts receivable.....	24,481
Net change in accounts payable.....	(3,883)

Deficiency of revenues over expenditures and other uses (GARP basis).....	\$ (167,230)

- (5) The general fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by character (personal services, group benefits, supplies, contractual services and capital outlay). Total expenditures constitute the legal level of control. Expenditures may not exceed the sum of appropriations plus the unreserved prior year fund balance. The budget may be revised during the year as estimated regarding revenues and expenditures change.
- (6) Appropriations lapse at the end of each fiscal year.

With regard to the special revenue fund, which is an appropriation of the Louisiana Supreme Court for the operation of the commissioners' office, the budget is governed by the Judicial Budgetary Control Board. R.S. 38:40 exempts the judiciary of the state from the State Division of Administration budgetary control, and since budgetary reporting for the Commissioners' Fund is the responsibility of the Judicial Budgetary Control Board, the Nineteenth Judicial District Court is of the opinion that the Commissioners' Fund is also not subject to the Local Government Budget Act (R.S. 38:1381-141), in

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

particular, those requirements relating to public hearings and advertisement. Accordingly, the Commissioners' Fund budget to actual presentation will utilize the budget data formulated under the auspices of the Judicial Budgetary Control Board.

These procedures are followed in establishing the budgetary data reflected in the financial statements with regard to the special revenue fund:

- (1) An operating budget is prepared for the commissioners' fund prior to the commencement of the budgetary fiscal year and submitted to the Judicial Budgetary Control Board. The operating budget includes proposed expenditures for the upcoming year.
- (2) The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (3) All funds remaining unexpended or unencumbered at year end shall be returned to the state general fund.
- (4) Any surpluses occurring in the appropriation may be transferred from one line-item to another during the fiscal year.

Fund budget integration within the accounting records is not employed as a management control device for the general and the special revenue funds.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting (under which purchase orders, contracts, and other commitments for expenditures of resources are recorded to reserve that portion of the applicable appropriation is not utilized by the judicial expense fund. Encumbrances at year end, even if utilized, would not be considered expenditures in the financial statements presented on the GAAP basis. However, encumbrances would be considered part of the budgetary process and would be included in actual expenditures when a compliance with budget is necessary.

Fixed assets

Fixed assets are recorded as expenditures at the time purchased in the fund used to acquire them, and the related assets are reported in the general fixed asset account group. All fixed assets are valued at historical cost and no depreciation is charged against them. Fixed assets reported herein include only those assets purchased by the Judicial Expense Fund, and do not reflect assets of the court obtained from other sources.

Vacation and sick leave

On July 1, 1981, an annual and sick leave plan was adopted which allows a maximum of 31 days of vacation leave per year. The plan was amended in March, 1984 to allow employees to accumulate a maximum of 120 days starting in 1984. Previously, the maximum allowed to accumulate was 60 days. Effective September 13, 1993, the maximum

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

number of days was reduced to 60. Upon termination, employees are paid for the unused vacation leaves. Sick leave is allowed to accrue and accumulate. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations.

In accordance with GASB Statement No. 14, which requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement, the judicial expense fund has recorded a liability as of June 30, 1998 for a total of 1884 of the accrued vacation for each employee up to a maximum of 60 days at the employees' current rate of pay. Additionally, applicable percentages of retirement contribution, social security, and Medicare have been added to the above accrued leave.

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. While the amount of accumulated sick leave lapses upon termination, no amount has been accrued.

The amounts shown for fiscal year 1998 in the accompanying financial statements for accrued compensated absences represent the liability for all employees of the District Court except the judges, the commissioners, and employees of the commissioners.

The management of the judicial expense fund has estimated that 10% of the liability for accrued compensated absences will be paid from expendable available financial resources and is reported in the general fund. The remainder will be paid from future years' resources and is reported in the general long-term debt account group.

Memorandum only - total columns

Total columns on the 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 and results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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 Judicial Expense Fund's financial position and operations.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

B. CASH AND INVESTMENTS

Cash includes amounts in demand deposits and time deposits. Under state law, the judicial expense fund 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.

At June 30, 1998, the judicial expense fund had cash (book balances) as follows:

Interest-bearing demand deposits.....	\$ 45,814
Time deposits (certificates of deposit)....	589,000

	\$ 634,814

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the judicial expense fund has \$812,223 in deposits collected bank balances. These deposits are secured from risk by \$100,000 of federal deposit insurance and \$872,823 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the judicial expense fund that the fiscal agent has failed to pay deposited funds upon demand.

C. SALARY EXPENDITURES

The Judicial Expense Fund administers the payroll for all District Court employees excluding the judges and the commissioners. The Parish of East Baton Rouge reimburses the fund for these salaries disbursed by the fund but appropriated in the City-Parish budget.

C. SALARY EXPENDITURES (Continued)

Also, the Clerk of Court reimburses the Fund for a portion of the salary of an employee who works for both the Nineteenth Judicial District Court and the East Baton Rouge Parish Clerk of Court. The amounts shown in the accompanying financial statements are the actual salary expenditures of the Judicial Expense Fund and do not include any amounts for salaries reimbursed by either the City-Parish or the Clerk of Court.

D. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables due to the general fund on June 30, 1998 are as follows:

East Baton Rouge District Attorney.....	\$ 98,000
East Baton Rouge Parish Sheriff.....	92,000
East Baton Rouge Parish Clerk of Court....	4,000
Louisiana Department of Public Safety.....	1,100
Louisiana Commission on Law Enforcement....	8,700
Capital Area Human Services.....	21,500

	\$ 187,500

E. GENERAL FIXED ASSETS

A summary of changes to general fixed assets for the year ended June 30, 1998 is as follows:

	Balance June 30, 1997	Additions	Deuctions	Balance June 30, 1998
	-----	-----	-----	-----
Computer equipment, including software....	\$ 943,938	\$ 154,425	\$ 4,505	\$ 1,093,858
Other office equipment	338,787	38,874	2,481	375,180
Furniture and fixtures	320,543	39,385	1,740	358,188
Office renovations....	326,418	-	-	326,418
	-----	-----	-----	-----
	\$1,929,686	\$ 232,684	\$ 8,726	\$ 2,153,644
	-----	-----	-----	-----

F. PENSION PLANSLouisiana State Employees Retirement System

Plan Description. The employees of the Commissioners' offices, whose salaries are paid from an appropriation from the State of Louisiana, are members of the Louisiana State Employees Retirement System ("System"), a single employer, public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees, which is administered and controlled by a separate Board of Trustees. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System was

F1: PENSION PLANS (Continued)

established and provided for within Title 11 Chapter 401 of the Louisiana Revised Statutes (RS). The Louisiana State Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Louisiana State Employees Retirement System, P.O. Box 44232, Baton Rouge, Louisiana 70804-4232, or by calling 1-800-284-3000.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of gross salary to which the Commissioners' office adds 15.5 percent contribution as an employer's match. The contribution requirements of plan members and the Commissioners' office are established and may be amended by the System's Board of Trustees. The Commissioners' office statutory and actual contributions for the years ending June 30, 1998, 1997, and 1996 were \$25,750, \$28,036, and \$28,242, respectively.

Louisiana Clerks of Court Retirement and Relief Fund

Fund Description. Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerks of Court Retirement and Relief Fund (Fund), multiple-employer, cost sharing public employee retirement system, controlled and administered by a separate Board of Trustees. The Fund provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Brickhouse Avenue, Suite 81, Baton Rouge, Louisiana 70816, or by calling 1225 393-1362.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Nineteenth Judicial District Court is required to contribute at an actuarially determined rate. The current rate is 10.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Nineteenth Judicial District Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Nineteenth Judicial District Court's contributions to the System for the years ending June 30, 1998, 1997, and 1996, were \$87,660, \$48,875, and \$61,921, respectively, which was equal to the required contributions for each year.

G. DEFERRED COMPENSATION

The Minnetonka Judicial District Court offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Minnetonka Judicial District Court employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The amount deferred by the employee is not available until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August, 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, a custodial account was established in December, 1996 with a third party administrator who will hold the assets and income of the plan.

The Minnetonka Judicial District Court - Judicial Expense Fund implemented GMSR Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, in 1998. Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the Judicial Expense Fund plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Judicial Expense Fund's financial statements as of June 30, 1998.

Assets totaling \$148,819 are held by Public Employees Benefit Services Corporation, a deferred compensation center, under agreement with the Minnetonka Judicial District Court.

H. OTHER POSTEMPLOYMENT BENEFITS

District Court Employees - In addition to the pension benefits described in Note F, the Parish of East Baton Rouge provides post retirement health care benefits. Employees are eligible to continue participation in the health, dental and life insurance programs upon retirement.

Health and Dental benefits

Employees may at their option participate in the group health and dental insurance program. Employees are offered their choice of two health maintenance organizations or an indemnity plan for health benefits. Employees may also participate in the indemnity plan for dental benefits. Upon retirement the employee may continue coverage with the same benefits available to active employees. The minimum premium plan is funded with employee and retiree contributing 30% of the premium and the Parish of East Baton Rouge contributing 40% of the premium. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1973. The portion paid by the Parish of East Baton Rouge of the post retirement benefit for health and dental coverage is funded on a pay-as-you-go basis from the City-Parish General Fund-Risk Management budget.

II. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Life insurance benefits

In accordance with City Resolution 1943 and Parish Resolution 13478 adopted by the respective councils on April 14, 1978, all employees who retire after May 1, 1978, have \$3,000 of term life insurance coverage. The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 10 cents per active employee. The premium is paid into an Insurance Contribution Fund Account.

Expenditures for these benefits are not recognized by the Judicial Expense Fund since they are provided by the Parish of East Baton Rouge.

Commissioners' Office Employees - In addition to the pension benefits described in Note F, the State of Louisiana provides post retirement health care benefits. LA 43-831 through 43-880 establishes the self-insured and self-funded state employee group health care and life insurance program and authorizes the commissioners' office to provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the commissioners' employees become eligible for these benefits if they reach normal retirement age while working for the commissioners' office. Monthly premiums are paid jointly by the employees and the employer (from the commissioners' office appropriation) for active employees' benefits regardless of whether benefits are provided by Group Benefits or one of the 880's authorized by Group Benefits.

Expenditures for these benefits are not recognized by the Judicial Expense Fund since they will be included in the annual appropriation from the State of Louisiana.

I. INTERFUND TRANSACTIONS

The following is a summary of amounts due from and due to other funds as of June 30, 1978:

	Due from	Due to
	-----	-----
General fund		
Commissioners' fund.....	\$ 13	\$ -
Special revenue fund (Commissioners')		
General fund.....	-	18
	-----	-----
	\$ 13	\$ 18
	-----	-----

1. INTERFUND TRANSACTIONS (Continued)

The following is a summary of operating transfers in and out for the year ended June 30, 1998:

	Transfers In	Transfers Out
General fund.....	\$ -	\$ 10,487
Special revenue fund (commissioners').....	10,487	-
	<u>\$ 10,487</u>	<u>\$ 10,487</u>

2. CONCENTRATIONS OF CREDIT RISK

Intergovernmental receivables represent amounts due from other East Baton Rouge Parish governmental agencies and the State of Louisiana. The majority of the other receivables are due from Louisiana attorneys who practice before the court. Payment of these amounts is partly dependent upon the economic and financial conditions within East Baton Rouge Parish and the State of Louisiana.

3. EXPENDITURES OF THE DISTRICT COURT PAID BY THE CITY-PARISH

Certain operating expenditures of the district court are paid by the City-Parish and are not included in the accompanying financial statements. The City-Parish has a calendar year end, and the expenditures for the operation of the district court for the year ended December 31, 1997 are summarized as follows:

Personal services.....	\$2,407,492
Gross benefits.....	677,860
Supplies.....	326,411
Contractual services.....	182,537
	<u>\$3,194,300</u>

4. ACCOUNTING CHANGES

The Nineteenth Judicial District Court - Judicial Expense Fund implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans, in accordance with the amended provisions of Internal Revenue Code (IRC) Section 457 which were enacted into law in August, 1996. All assets and income of the plan must be held in trust for the exclusive benefit of the participants and their beneficiaries. GASB Statement No. 32 requires governments who have fiduciary accountability and act in a trustee capacity for an IRC Section 457 plan to report the plan in its financial statements as an expendable trust fund. Those governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in

1. ACCOUNTING CHANGES (Continued)

its financial statements. Since the Nineteenth Judicial District Court plan is held in a custodial account with a third party administrator, the assets and liabilities were not presented as of June 30, 1988. See Note C for disclosure of the Nineteenth Judicial District Court's deferred compensation plan and compliance with GASB Statement No. 32.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Judges of the
Nineteenth Judicial District Court

We have audited the general purpose financial statements of the Nineteenth Judicial District Court - Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 21, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Nineteenth Judicial District Court - Judicial Expense Fund'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 those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings as items 98-1 and 98-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nineteenth Judicial District Court - Judicial Expense Fund'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Nineteenth Judicial District Court - Judicial

Continued . . .

Expense Fund's ability to record, process, summarize, and report financial data consistent with the assertions of management, in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended for the information of the management of the Nineteenth Judicial District Court - Judicial Expense Fund, the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, and the Legislative Auditor.

L. A. Champagne, Sr. CPA

October 22, 1998

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF FINDINGS
Year ended June 30, 1998**

**INTERNAL CONTROL AND COMPLIANCE MATTERS
REPORTABLE UNDER GOVERNMENT ACCOUNTING STANDARDS**

99-1. Municipal Budget Act

Criteria - R.S. 39:1318(2) requires the budget variance from actual for total expenditures to be less than 5%.

Condition - Actual expenditures of \$1,809,800 for the general fund exceeded budgeted expenditures of \$1,804,192 by more than 5%.

Effect - Without careful monitoring of the budget during the year, expenditures may exceed projected revenues.

Cause - Expenditures of the Capital Area Human Services grant (Passenger Recovery Program) were not included in the budget.

Recommendation - All revenues and expenditures, including those of pass-through grants should be budgeted. Grant revenues should be recorded as revenue rather than reductions of program expenditures.

Management response - Since the grant expenditures of the Passenger Recovery Program were reimbursed, and the Court was not required to fund a local match, grant revenues were treated as direct reimbursements and netted against the related expenditures. Reporting revenues as an offset of the corresponding expenditures, left only one month of expenditures on our financial reports instead of the eight months of expenditures the Program was operated. For fiscal year 1999, financial reporting has been changed to report in total the actual revenue and expenditures related to this grant.

99-2. Code of Ethics for Public Employees

Criteria - R.S. 43:1113(A) prohibits a public servant from entering into any contract that is under the supervision of the agency that employs such public servant. Thus, an employee of the Court is prohibited from contracting with the Court to provide additional services.

Condition - During the review of subsequent events, we noted that a full-time employee of the Court was paid \$7,350 for professional services provided to the Court in addition to her regular salary.

Effect - The Code of Ethics was instituted to instill public confidence and to ensure the independence and impartiality of all public servants. Breach of the Code reduces the public's trust in those employed to serve the public.

Case - The employee was providing services on a part-time basis, before and after regular working hours, in addition to her services as an employee.

Recommendation - Payment for all services provided by an employee should be included in the employee's regular compensation. Policies and procedures should be implemented for the authorization and payment of necessary overtime.

Management response - Since learning that this situation may conflict with state law, the payment to employees for services under separate contractual arrangements has ceased. The payroll policies of the Court are being reviewed and updated to include authorization and payment of overtime when necessary.

SUPPLEMENTARY INFORMATION

**NINETEENTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 GENERAL FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 1998 and 1997**

	1998	1997
	-----	-----
ASSETS		
Cash:		
Demand deposits.....	\$ 48,700	\$ 44,000
Ties deposits.....	598,000	750,000
Receivables:		
Intergovernmental:		
East Baton Rouge District Attorney.....	38,000	35,700
East Baton Rouge Parish Sheriff.....	90,000	80,000
East Baton Rouge Parish Clerk of Court..	4,000	3,000
Louisiana Department of Public Safety...	1,300	3,413
City of Baton Rouge, Parish of East		
Baton Rouge.....	-	900
Louisiana Commission on Law Enforcement-	8,700	-
Capital Area Human Services.....	21,500	-
Attorneys for transcripts items allowance		
for uncollectibles of \$13,460 in 1998		
and \$18,020 in 1997.....	27,300	35,400
Accrued interest and other.....	1,400	20,800
Due from Special Revenue Fund.....	20	37
Total assets.....	\$ 852,100	\$ 907,300
	-----	-----
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 5,700	\$ 4,000
Pre-hour collections payable.....	30,300	-
Accrued compensated absences.....	84,200	84,200
Total Liabilities.....	120,200	88,200
	-----	-----
Fund balances:		
Unreserved - undesignated.....	750,700	900,000
Total Fund balances.....	750,700	900,000
	-----	-----
Total Liabilities and		
fund equity.....	\$ 852,100	\$ 907,300
	-----	-----

See accompanying notes

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES**
For the fiscal years ended June 30, 1990 and 1997

	1990	1997
	-----	-----
REVENUES		
Intergovernmental:		
Clerk of Court - civil and probate		
filing fees.....	\$ 148,908	\$ 148,125
East Baton Rouge Parish Sheriff:		
Court costs.....	150,022	154,388
Court Defrayment costs.....	581,981	540,038
Jail bond forfeitures.....	88,885	31,945
Fines.....	364,202	383,739
East Baton Rouge District Attorney:		
Drug enforcement forfeitures.....	50,879	29,533
Jail bond license fees.....	183,962	187,709
Louisiana Department of Public Safety -		
License fees.....	54,263	54,908
Legislature Commission on Law Enforcement:		
Pass-through grants.....	31,245	6,282
Capital Area Human Services:		
Pass-through grants.....	123,483	-
Charges for services:		
Transcript charges to attorneys.....	128,124	128,548
Deposition fees.....	980	2,614
Copy charges for probable cause		
affidavits.....	1,456	1,614
Interest.....	49,347	38,475
Other.....	1,721	982
Total revenues.....	-----	-----
	1,737,344	1,545,625
	-----	-----
EXPENDITURES		
District Court:		
Current:		
Personal services:		
Salaries.....	1,241,723	1,180,818
Group benefits:		
Payroll taxes.....	3,046	6,488
Retirement.....	27,566	60,928
Supplies:		
Office supplies.....	13,288	31,437
Computer supplies.....	7,848	8,024
Drug screen lab supplies.....	25,372	40,544
News and subscriptions.....	10,270	2,478
Other.....	325	4,788

Continued . . .

	1998	1997
	-----	-----
Contractual services:		
Legal and other professional fees.....	\$ 28,910	\$ 40,874
Probation officers.....	32,168	26,843
Judges' professional liability insurance.....	8,800	17,344
Workers' compensation insurance for community service workers.....	1,365	985
Other contractual services.....	18,897	11,586
Drug services.....	7,239	4,855
Parking fees.....	33,840	14,528
Travel, meetings and conferences.....	46,833	49,161
Equipment repair and maintenance.....	5,893	1,822
Passages Recovery Program contract....	122,483	
	-----	-----
Total contracts	4,488,777	1,583,457
	-----	-----
Capital outlay:		
Computer equipment, including software..	153,676	64,326
Other office equipment.....	14,498	3,347
Equipment and furniture.....	18,848	28,469
	-----	-----
Total capital outlay	287,022	96,142
	-----	-----
Total expenditures	1,894,292	1,679,600
	-----	-----
OTHER USES		
Operating transfers out.....	18,407	17,607
	-----	-----
Total expenditures and other uses ...	1,914,699	1,697,207
	-----	-----
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES		
Fund balances - beginning of year.....	1167,331	134,530
Fund balances - beginning of year.....	526,680	550,850
	-----	-----
Fund balances - end of year.....	\$ 758,749	\$ 526,680
	-----	-----

See accompanying notes

**NINETEENTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 SCHEDULE OF GENERAL FIXED ASSETS -
 BY SOURCE**

June 30, 1999

	General	Special Revenue (Commu- nications')	Total
COMPUTER EQUIPMENT, INCLUDING SOFTWARE.....	\$ 1,001,977	9,898	1,011,875
OTHER OFFICE EQUIPMENT.....	353,486	11,164	364,650
OFFICE FURNITURE AND FIXTURES			
Office furniture.....	243,414	4,871	248,285
Filing cabinets.....	58,665	5,074	63,739
Miscellaneous fixtures.....	34,562	871	35,433
	336,641	6,816	343,457
OFFICE RENOVATIONS.....	185,614	-	185,614
Total general fixed assets.	\$ 1,796,622	\$ 27,688	\$ 1,824,310
INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE			
General fund.....	\$ 1,796,622	\$ -	\$ 1,796,622
Special revenue fund (Communications').....	-	27,688	27,688
Total general fixed assets.	\$ 1,796,622	\$ 27,688	\$ 1,824,310

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To the Judges of the
Nineteenth Judicial District Court

We have audited the general purpose financial statements of Nineteenth Judicial District Court-Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana for the year-ended June 30, 1998, and have issued our report thereon dated October 21, 1998. During the course of our audit we had the opportunity to observe the Judicial Expense Fund's operating procedures and internal control. As a result of our observations, we recommended that management consider the following comments and suggestions relative to the Judicial Expense Fund's operating procedures and internal control.

Possible Breach of the Code of Ethics

As discussed in the Schedule of Findings included on page 34 of the financial reporting package, R. S. 43:1113(A) prohibits a public servant from entering into any contract that is under the supervision of the agency employing such public servant. Thus, an employee of an agency of government is prohibited from contracting with that agency to provide additional services. During the review of subsequent events, we noted that a full-time employee of Iberville Court was paid \$3,150 for professional services provided to the District Court. Discussions with legal counsel of the Legislative Auditor's Office and the Board of Ethics raised a question as to the definition of an agency for the purposes of the Code. It is possible that the Iberville Court and District Court may be considered part of the same agency - the Court system of the Nineteenth Judicial District. If this is so, then this payment for professional services would be in violation of the Code of Ethics. If this arrangement is to continue, we recommend that an Attorney General's opinion be requested to resolve this matter and future contract payments to persons working for both Courts continued only if it is determined not to be in violation of the Code.

We will be pleased to discuss this matter further with you at your convenience, or to assist you in its implementation.

We thank the employees of the Nineteenth Judicial District Court for the cooperation given to us during the course of our audit.



October 23, 1998