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**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
December 31, 1998**

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

Release Date **JUL 28 1998**

Audited Combined Financial Statements

December 31, 1998

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The Honorable Martin E. Coady, Chief Judge and
Judge of the **Twenty-Second Judicial District Court**
Washington, St. Tammany Parishes, Louisiana

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of the **TWENTY-SECOND JUDICIAL DISTRICT COURT** as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the **TWENTY-SECOND JUDICIAL DISTRICT COURT's** management. 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 the standards applicable to financial audits contained in *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 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 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 **TWENTY-SECOND JUDICIAL DISTRICT COURT** as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued our reported dated April 30, 1999 on our consideration of the **TWENTY-SECOND JUDICIAL DISTRICT COURT's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements as a whole. The accompanying information listed as supplemental information 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 **TWENTY-SECOND JUDICIAL DISTRICT COURT**. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Arthur, Deitz, Brown & Neal
A Professional Accounting Corporation

April 30, 1999

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998**

ASSETS	<u>Fund Type</u> Special Revenue	<u>Governmental Account Group</u> General Fixed Assets	<u>Total (Memorandum Only)</u>
Cash	\$ 1,910,818	\$ -	\$ 1,910,818
Receivables	37,825	-	37,825
Office Furniture and Equipment	-	514,903	514,903
Renovations	-	12,514	12,514
Total Assets	<u>\$ 1,948,643</u>	<u>\$ 527,417</u>	<u>\$ 2,476,060</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts Payable	<u>\$ 138,797</u>	<u>\$ -</u>	<u>\$ 138,797</u>
Total Liabilities	<u>138,797</u>	<u>-</u>	<u>138,797</u>
Fund Equity			
Investment in General Fixed Assets	-	527,417	527,417
Fund Balance			
Unreserved - Undesignated	<u>1,809,846</u>	<u>-</u>	<u>1,809,846</u>
Total Fund Equity	<u>1,809,846</u>	<u>527,417</u>	<u>2,337,263</u>
Total Liabilities and Fund Equity	<u>\$ 1,948,643</u>	<u>\$ 527,417</u>	<u>\$ 2,476,060</u>

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For The Year December 31, 1998**

REVENUES

Current Court Revenues	
Civil Cases	\$ 111,079
Bail Bond Fees	62,136
Other Fees	13,128
Judicial Fees	
Child Support Collection Fees	343,592
Probation Fees	332,080
Other Revenues	
Interest Earned	87,261
State Grant - Friends in Need Service	28,000
Miscellaneous	<u>10,502</u>
Total Revenues	<u>987,778</u>

EXPENDITURES

Salaries and Related Benefits	400,683
Contractual Services	
Court Reporters	17,347
Audit Fees	6,000
Computer Programming	11,397
Janitorial Services	15,178
Youth Service Bureau	179,897
Rent	31,160
Courtroom Security	45,000
Indigent Defender Board	30,000
District Attorney's Office	18,000
Child Support Collection Expense	7,567
Repairs, Maintenance, Renovations	43,603
Insurance	11,762
Telephone	15,990
Dues, Subscriptions, and Law Books	30,424
Materials and Supplies	64,151
Other	
Educational Seminars - Travel, Meals	
Lodging, and Registration Fees	55,924
Administrative Meetings	3,033
Miscellaneous	5,553
Capital Outlays	<u>77,824</u>
Total Expenditures	<u>1,070,493</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (82,715)

FUND BALANCES - BEGINNING 1,892,561

RESIDUAL EQUITY TRANSFER -

FUND BALANCES - ENDING \$ 1,809,846

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ACTUAL AND
BUDGET (GAAP BASIS) - SPECIAL REVENUE FUNDS
For The Year December 31, 1998**

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Current Court Revenues			
Civil Cases	\$ 111,079	\$ 115,000	\$ 3,921
Bail Bond Fees	62,136	-	(62,136)
Other Fees	13,128	-	(13,128)
Judicial Fees			
Child Support Collection Fees	343,592	273,000	(70,592)
Probation Fees	332,080	340,000	7,920
Other Revenues			
Interest Earned	87,261	48,000	(39,261)
State Grant - Friends in Need Service	28,000	-	(28,000)
Miscellaneous	10,502	-	(10,502)
Total Revenues	987,778	776,000	(211,778)
EXPENDITURES			
Salaries and Related Benefits	400,683	435,000	(34,317)
Contractual Services			
Court Reporters	17,347	13,500	3,847
Audit Fees	6,000	9,000	(3,000)
Computer Programming	11,397	14,400	(3,003)
Janitorial Services	15,178	13,440	1,738
Youth Service Bureau	179,897	201,000	(21,103)
Rent	31,160	12,000	19,160
Courtroom Security	45,000	30,000	15,000
Indigent Defender Board	30,000	30,000	-
District Attorney's Office	18,000	18,000	-
Child Support Collection Expense	7,567	-	7,567
Repairs, Maintenance, Renovations	43,603	28,500	15,103
Insurance	11,762	10,200	1,562
Telephone	15,990	18,500	(2,510)
Dues, Subscriptions, and Law Books	30,424	21,000	9,424
Materials and Supplies	64,151	90,000	(25,849)
Other			
Educational Seminars - Travel, Meals Lodging, and Registration Fees	55,924	90,000	(34,076)
Administrative Meetings	3,033	4,700	(1,667)
Miscellaneous	5,553	1,200	4,353
Capital Outlays	77,824	1,139,000	(1,061,176)
Total Expenditures	1,070,493	2,179,440	(1,108,947)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(82,715)	(1,403,440)	(1,320,725)
FUND BALANCES - BEGINNING	1,892,561	1,892,561	-
RESIDUAL EQUITY TRANSFER	-	-	-
FUND BALANCES - ENDING	\$ 1,809,846	\$ 489,121	\$ (1,320,725)

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE A

DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

The accounts of the **TWENTY-SECOND JUDICIAL DISTRICT COURT** (the "Court") are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The major fund categories are described below:

SPECIAL REVENUE FUNDS

These funds are used to account for specific revenue sources that are restricted to expenditures for specific purposes.

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group represents a summary of the fixed assets of the Court. Capital expenditures are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. Depreciation is not recorded on general fixed assets.

NOTE B

DEFINITION OF THE COURT ENTITY

The general purpose financial statements of the Court include the Judicial Expense Special Revenue Fund, the Child Support Special Revenue Fund, and the General Fixed Assets Account Group. In prior years, the Court also reported on the Misdemeanor Probation Special Revenue Fund. However, during 1998, this fund was closed and a residual equity transfer of its remaining fund balance was made to the Judicial Expense Fund.

The Criminal Court Fund is included in the financial statements of the St. Tammany Parish Police Jury (the "Police Jury") because the Police Jury is responsible for any deficiency in the fund.

Establishment of the Judicial Expense and Child Support Special Revenue Funds are described below:

JUDICIAL EXPENSE FUND

The Judicial Expense Fund of the Court was established under the provisions of the Louisiana Legislative Act 553 in 1980. The act specifies that the clerks of courts and the sheriffs of the Parishes of St. Tammany and Washington shall collect a fee, limited by laws as to the amount, for each civil suit and criminal case filed within the court's jurisdiction. The clerks of court and the sheriffs of the parishes of St. Tammany and Washington shall place all sums collected or received under this act in a separate account to be designated as the Judicial Expense Fund for the Court in depositories to be designated by the judges of the Court, en banc. The Judges, en banc, shall have control over the fund and all disbursements made therefrom. They shall cause to be conducted annually an audit of the fund and the books and accounts relating thereto, and shall file the same with the office of the legislative auditor, where it shall be available for public inspection.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE B

DEFINITION OF THE COURT ENTITY (Continued)

JUDICIAL EXPENSE FUND (Continued)

In general, the Judicial Expense Fund was established and may be used for any purpose or purposes connected with, incidental to, or related to the proper administration or function of the Court or the offices or the individual judges and is in addition to any and all other funds, salaries, expenses, or other monies that are now or hereafter provided, authorized or established by law for any of the aforesaid purposes. No salary shall be paid from the Judicial Expense Fund for the Court to any of the judges of the district, except as may be paid for administering the said funds, and then only after prior legislative approval.

CHILD SUPPORT FUND

The Child Support Fund of the Court was established under the provisions of Louisiana Revised Statutes 46:236:5 effective January 1, 1989. Under these statutes, the Court has implemented an expedited process for the establishment, modification and enforcement of support obligations by authorizing and directing the Judge presiding over the Family Section (Child Support) of the Court to appoint one or more Hearing Officers, who shall serve at his pleasure, to hear support and support related matters.

The Fund is authorized to assess a fee of five (5) percent on all support obligations made executory on or after January 1, 1989 as a result of hearing on a rule to enforce support.

MISDEMEANOR PROBATION FUND

The Misdemeanor Probation Fund of the Court was discontinued during 1998 and a residual equity transfer of its remaining fund balance was made to the Judicial Expense Special Revenue Fund. For reporting purposes, the adopted budget of the Misdemeanor Probation Fund was combined with the adopted budget of the Judicial Expense Special Revenue Fund.

NOTE C

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements and accounting policies of the Court conform to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

The Court uses the modified accrual basis of accounting for financial reporting and utilizes the following practices:

Revenues are accrued when the amounts to be received are both measurable and available. All revenues are susceptible to being accrued.

Expenditures are recorded at the time the liabilities are incurred. Capital outlays are recorded as expenditures at the time of acquisition.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE C

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

BUDGET POLICIES

The Court has adopted a budget on the modified accrual basis of accounting. This budget is considered to be a "non-appropriated budget" and is not subject to the appropriation process or to any legally authorized budget review and approval process. There is no relationship between the expenditure budget and any appropriation ordinances, nor is there any level of control for the budget. The budget was adopted to provide a basis for control of financial operations during the year.

ENCUMBRANCES

Encumbrance accounting is not utilized by the Court.

RESIDUAL EQUITY TRANSFERS

Transfers of residual balances of discontinued funds or programs are accounted for as residual equity transfers. These residual equity transfers are recognized at the time the underlying events occur.

FIXED ASSETS AND DEPRECIATION

Fixed assets are recorded at cost when historical records are available or estimated historical cost if historical cost was not available.

Current capital expenditures are recorded as expenditures at the time of purchase. The related assets are then recorded in the General Fixed Assets Account Group. The Court does not depreciate general fixed assets.

NOTE D

TOTAL COLUMNS

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate they are presented to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE E

CASH AND TEMPORARY CASH INVESTMENTS

At December 31, 1998, the carrying amount of the Court's bank deposits was \$1,910,818, and the bank balance was \$1,912,094. The difference was primarily due to outstanding checks. Of the bank balance, approximately \$300,000 was secured by federal depository insurance. In compliance with State laws, the remaining balance of \$1,612,094 was secured by bank owned securities specifically pledged to the Court and held by an independent custodian institution jointly in the name of the Court and the bank. 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 Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE F

RECEIVABLES

The receivables at December 31, 1998 are summarized below:

Due from State – Bail Bond Fees	\$ 9,481
Due from St. Tammany Clerk of Court	<u>28,344</u>
	<u>\$ 37,825</u>

No allowance for doubtful accounts has been established, as all receivables were collected in January and February of 1999.

NOTE G

CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 1998</u>
Office Furniture and Equipment	\$ 449,593	\$ 62,310	\$ -	\$ 514,903
Office Renovations	<u>-</u>	<u>12,514</u>	<u>-</u>	<u>12,514</u>
	<u>\$ 449,593</u>	<u>\$ 77,824</u>	<u>\$ -</u>	<u>\$ 527,417</u>

NOTE H

PENSION PLANS

The employees of the Court belong to the Parochial Employees Retirement System of Louisiana (the "Plan"). The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Contributions to the Plan are made by the St. Tammany Parish Police Jury and the Washington Parish Police Jury. The Court reimburses the Police Juries for amounts in excess of what they are required to pay.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE I

COMPENSATED ABSENCES

VACATION

The judges of the Court establish vacation policies for their respective employees. All other employees generally earn vacation according to the following length of employment:

One Year of Employment	-	One Week Vacation
Two Years of Employment	-	Two Weeks Vacation
Five Years of Employment	-	Three Weeks Vacation

Unused vacation time is not allowed to be carried over from one calendar year to the next. However, upon termination, unused vacation time is paid to employees in good standing with the Court.

SICK PAY

Employees are allocated ten days of sick leave each year. Sick leave cannot be accumulated beyond one year. Unused sick time is not paid upon termination.

NOTE J

AGENCY FUNDS

The Child Support Fund collects funds for the Louisiana Department of Health and Human Resources. These Funds, less the Court's commission of 5% are deposited directly into a State bank account. The Court has no control over the State's bank account. The Child Support fund did not owe the State any funds at December 31, 1998.

The **TWENTY-SECOND JUDICIAL DISTRICT COURT** does not collect funds for any other agencies

NOTE K

YEAR 2000 COMPLIANCE (UNAUDITED)

Time and space saving programming decisions made in prior years resulted in two-digit computer codes that may not correctly recognize "00" as the year 2000. Serious processing error or system failure could result. To prevent this error, computer systems and equipment must be reprogrammed or replaced to make them year 2000 compliant.

The primary accounting system software of the Court has been validated to be year 2000 compliant.

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1998

	<u>Judicial Expense Fund</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 1,088,352	\$ 822,466	\$ -	\$ 1,910,818
Receivables	37,825	-	-	37,825
Office Furniture and Equipment	436,798	78,105	-	514,903
Renovations	<u>12,514</u>	<u>-</u>	<u>-</u>	<u>12,514</u>
Total Assets	<u>\$ 1,575,489</u>	<u>\$ 900,571</u>	<u>\$ -</u>	<u>\$ 2,476,060</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	<u>\$ 135,137</u>	<u>\$ 3,660</u>	<u>\$ -</u>	<u>\$ 138,797</u>
Total Liabilities	<u>135,137</u>	<u>3,660</u>	<u>-</u>	<u>138,797</u>
Fund Equity				
Investment in General Fixed Assets	449,312	78,105	-	527,417
Fund Balance				
Unreserved - Undesignated	<u>991,040</u>	<u>818,806</u>	<u>-</u>	<u>1,809,846</u>
Total Fund Equity	<u>1,440,352</u>	<u>896,911</u>	<u>-</u>	<u>2,337,263</u>
Total Liabilities and Fund Equity	<u>\$ 1,575,489</u>	<u>\$ 900,571</u>	<u>\$ -</u>	<u>\$ 2,476,060</u>

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 1998**

	Judicial Expense Fund	Child Support Fund	Misdemeanor Probation Fund	Total
REVENUES				
Current Court Revenues				
Civil Cases	\$ 111,079	\$ -	\$ -	\$ 111,079
Bail Bond Fees	62,136	-	-	62,136
Other Fees	13,128	-	-	13,128
Judicial Fees				
Child Support Fees	-	343,592	-	343,592
Probation Fees	332,080	-	-	332,080
Other Revenues				
Interest Earned	55,700	31,561	-	87,261
State Grant - Friends in Need	28,000	-	-	28,000
Miscellaneous	7,650	2,852	-	10,502
Total Revenues	<u>609,773</u>	<u>378,005</u>	<u>-</u>	<u>987,778</u>
EXPENDITURES				
Salaries and Related Benefits	262,705	137,978	-	400,683
Contractual Services				
Court Reporters	17,347	-	-	17,347
Audit Fees	6,000	-	-	6,000
Computer Programming	11,397	-	-	11,397
Janitorial Services	15,178	-	-	15,178
Youth Service Bureau	133,897	46,000	-	179,897
Rent	31,160	-	-	31,160
Courtroom Security	15,000	30,000	-	45,000
Indigent Defender Board	-	30,000	-	30,000
District Attorney's Office	-	18,000	-	18,000
Child Support Collection Expense	7,567	-	-	7,567
Repairs, Maintenance, and Renovations	43,603	-	-	43,603
Insurance	11,762	-	-	11,762
Telephone	15,990	-	-	15,990
Dues, Subscriptions, and Law Books	30,424	-	-	30,424
Materials and Supplies	64,151	-	-	64,151
Other				
Educational Seminars - Travel, Meals Lodging, and Registration Fees	55,924	-	-	55,924
Administrative Meetings	3,033	-	-	3,033
Miscellaneous	1,067	4,486	-	5,553
Capital Outlays	77,824	-	-	77,824
Total Expenditures	<u>804,029</u>	<u>266,464</u>	<u>-</u>	<u>1,070,493</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(194,256)	111,541	-	(82,715)
FUND BALANCES - BEGINNING	265,209	590,472	1,036,880	1,892,561
RESIDUAL EQUITY TRANSFER	<u>1,036,880</u>	<u>-</u>	<u>(1,036,880)</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,107,833</u>	<u>\$ 702,013</u>	<u>\$ -</u>	<u>\$ 1,809,846</u>

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (GAAP BASIS)
For The Year Ended December 31, 1998

	Judicial Expense Fund			Child Support Fund		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES						
Current Court Revenues						
Civil Cases	\$ 111,079	\$ 115,000	\$ (3,921)	\$ -	\$ -	\$ -
Bail Bond Fees	62,136	-	62,136	-	-	-
Other Fees	13,128	-	13,128	-	-	-
Judicial Fees	-	-	-	343,592	273,000	70,592
Child Support Fees	-	-	-	-	-	-
Probation Fees	332,080	340,000	(7,920)	-	-	-
Other Revenues	-	-	-	-	-	-
Interest Earned	55,700	33,000	22,700	31,561	15,000	16,561
State Grant - Friends in Need	28,000	-	28,000	-	-	-
Miscellaneous	7,650	-	7,650	2,852	-	2,852
Total Revenues	609,773	488,000	121,773	378,005	288,000	90,005
EXPENDITURES						
Salaries and Related Benefits	262,705	311,000	48,295	137,978	124,000	(13,978)
Contractual Services						
Court Reporters	17,347	11,000	(6,347)	-	2,500	2,500
Audit Fees	6,000	6,000	-	-	3,000	3,000
Computer Programming	11,397	10,600	(797)	-	3,800	3,800
Janitorial Services	15,178	13,440	(1,738)	-	-	-
Youth Service Bureau	133,897	150,000	16,103	46,000	51,000	5,000
Rent	31,160	12,000	(19,160)	-	-	-
Courtroom Security	15,000	-	(15,000)	30,000	30,000	-
Indigent Defender Board	-	-	-	30,000	30,000	-
District Attorney's Office	-	-	-	18,000	18,000	-
Child Support Collection Expense	7,567	-	(7,567)	-	-	-
Repairs, Maintenance, and Renovations	43,603	27,000	(16,603)	-	1,500	1,500
Insurance	11,762	7,000	(4,762)	-	3,200	3,200
Telephone	15,990	11,000	(4,990)	-	7,500	7,500
Dues, Subscriptions, and Law Books	30,424	16,000	(14,424)	-	5,000	5,000
Materials and Supplies	64,151	75,000	10,849	-	15,000	15,000
Other	55,924	80,000	24,076	-	10,000	10,000
Educational Seminars - Travel, Meals Lodging, and Registration Fees	3,033	4,700	1,667	-	-	-
Administrative Meetings	1,067	1,200	133	4,486	-	(4,486)
Miscellaneous	77,824	814,000	736,176	-	325,000	325,000
Capital Outlays	804,029	1,549,940	745,911	266,464	629,500	363,036
Total Expenditures	(194,256)	(1,061,940)	867,684	111,541	(541,500)	453,041
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	265,209	265,209	-	590,472	590,472	-
FUND BALANCES - BEGINNING	1,036,880	-	1,036,880	-	-	-
RESIDUAL EQUITY TRANSFER	\$ 1,107,833	\$ (796,731)	\$ 1,904,564	\$ 702,013	\$ 248,972	\$ 453,041
FUND BALANCES - ENDING						

Internal Control over Financial Reporting

In planning and performing our audit we considered the **TWENTY-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 general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted one matter involving the internal control over financial reporting 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 judgment, could adversely affect **TWENTY-SECOND JUDICIAL DISTRICT COURT**'s ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition noted was:

SAFEGUARDING OF FIXED ASSETS

The Court does not take a regularly scheduled annual physical inventory of fixed assets. As a result, the potential exists that misappropriation of assets may occur and not be detected on a timely basis. We recommend that a physical inventory be taken of all fixed assets on hand on a regular basis (at least annually). Based on our conversations with management all items have been tagged with an identifying number, which is tracked on an inventory listing with the exception of those items purchased for and used at the Washington Parish office. We recommend that all new fixed assets purchased should be tagged and tracked. These procedures would benefit the Court in its control over fixed assets and could also be used to establish budgets for fixed assets based on ages of items on hand as well as providing a basis for establishing a program of preventive maintenance for items which need it.

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition noted above is not a material weakness.

This report is intended for the information of the **TWENTY-SECOND JUDICIAL DISTRICT COURT**, management, and the Legislative Auditor of the State of Louisiana, and it is not intended to be and should not be used by anyone other than these specified parties.



A Professional Accounting Corporation

April 30, 1999

Twenty-Second Judicial District Court State of Louisiana



ST. TAMMANY
WASHINGTON
PARISHES

DISTRICT JUDGES

RAYMOND S. CHILDRESS, DIV. A
ELAINE W. GUILLOT, DIV. B
PATRICIA T. HEDGES, DIV. C
PETER J. GARCIA, DIV. D
WILLIAM J. BURRIS, DIV. E
MARTIN E. COADY, DIV. F
LARRY J. GREEN, DIV. G
DONALD M. FENDLASON, DIV. H
REGINALD T. BADEAUX, DIV. I

CORRECTIVE ACTION PLAN

The Twenty-Second Judicial District Court respectfully submits the following corrective action plan for the year ended December 31, 1998.

FINDINGS – INTERNAL CONTROLS OVER FINANCIAL REPORTING

SAFEGUARDING OF ASSETS

Description of Findings: The Court does not take a regularly scheduled inventory of fixed assets.

Corrective Action Planned: Regularly scheduled annual inventories of fixed assets in St. Tammany and Washington Parishes will be undertaken beginning in 1999.

Contact Person: Sue Delle

Anticipated Completion Date: December 31, 1999.

COMPLIANCE

Public Bid Law

Description of Findings: The Court had a single purchase in excess of \$7,500 where price quotes were not solicited or obtained as required by La. Public Bid Law.

Corrective Action Planned: All Court employees involved in purchasing have been updated as to current Public Bid Law and no further errors of this nature are anticipated.

Contact Person: Robert Tyler

Anticipated Completion Date: Corrective action will be implemented immediately.

COMPLIANCE

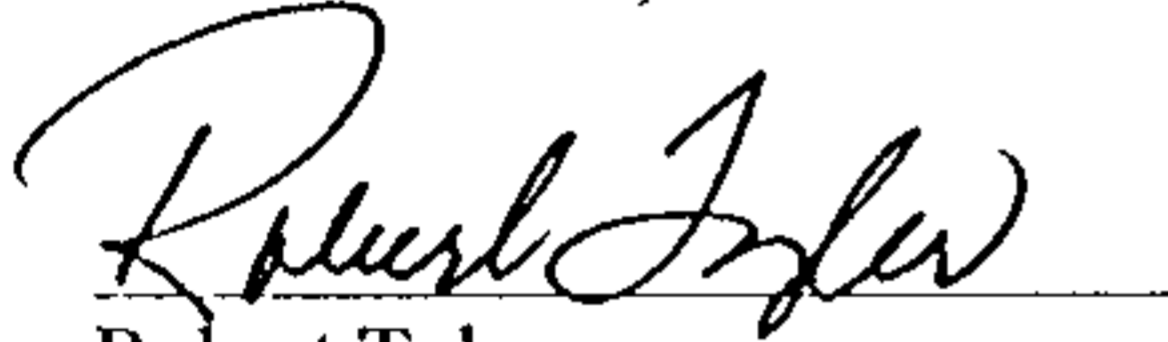
Budget Law Compliance

Description of Findings: The Court did not adopt its 1998 budget in an open public forum at least 15 days prior to the beginning of the year as required. Due to a tornado which caused sever damage to the Court's administrative offices, the adoption of the budget had to be delayed.

Corrective Action Planned: A budget was adopted at least 15 days prior to the beginning of the 1999 fiscal year.

Contact Person: Robert Tyler

Anticipated Completion Date: The 1999 budget was adopted in an open forum on December 16, 1998.

A handwritten signature in cursive script, appearing to read "Robert Tyler", is written over a horizontal line.

Robert Tyler
Court Administrator



To the Judges and Judicial Administrator of the
Twenty-Second Judicial District Court
335 N. New Hampshire
Covington, LA 70433

In planning and performing our audit of the financial statements of the **TWENTY-SECOND JUDICIAL DISTRICT COURT** (the "Court") for the year ended December 31, 1998, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control over financial reporting. In addition, we performed tests of the Court's compliance with laws, regulations, contracts and grants.

During our audit we noted the following immaterial instances of noncompliance with laws and regulations:

COMPLIANCE WITH PUBLIC BID LAW

We noted one instance of a combined purchase in excess of \$7,500 where price quotes were not solicited or obtained by the Court. Public Bid Law in Louisiana, as per *La. Rev. Stat. 38:2212*, requires that purchases of \$7,500 or more, but less than \$15,000 shall be made by obtaining not less than three telephone or facsimile quotations. It is important that all aspects of public bid law are understood and complied with fully.

We have provided to management a copy of the publication "Laws Affecting Louisiana Governments" which is issued by the Louisiana Legislative Auditor's Office and the Society of Louisiana Certified Public Accountants. This publication provides information on the various laws, including bid laws, affecting local governmental divisions and agencies in Louisiana.

COMPLIANCE WITH BUDGET LAWS

The Court did not adopt a budget in an open public forum at least 15 days prior to the beginning of the budget year. Based on conversations with management and review of the associated documentation this appears to be an isolated oversight that was a result of significant confusion following extensive damage to the Court's facilities caused by a tornado in November of 1997. The Court's management is well aware of this requirement. We noted that the budget for the 1999 fiscal year was adopted in full compliance of the State's budget laws.

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Member of AICPA Division for CPA Firms-Private Companies Practice Section and SEC Practice Section
International Affiliation with Accounting Firms Associated, Inc.

This report is intended solely for the information and use of the management of the
TWENTY-SECOND JUDICIAL DISTRICT COURT.

Sabrite, Schut, Koenig & Neal

A Professional Accounting Corporation

April 30, 1999